

Date: November 10, 2014

Subject: Earnings Information for Washington Graduates

As part of the final 2014 supplemental operating budget ([ESSB 6002](#), Sec 129), the Washington legislature required that the Education Research & Data Center (ERDC) “create a report of employment and earnings outcomes for degrees, apprenticeships and certificates earned at institutions of higher education.” In response, multiple state agencies partnered with ERDC to create the [Earnings for Graduates Report](#), which provides earnings information for students who completed a certificate or degree at one of Washington’s public institutions, or who completed an apprenticeship program in Washington.

Where did the data come from?

Data regarding degree completions was drawn from PCHEES (Public Centralized Higher Education Enrollment System), the database all public higher education institutions in the State contribute to on a quarterly basis. Data regarding wages was drawn from the Washington Employment Security Department’s unemployment insurance wage records.

Are all graduates included in the report?

No - not all graduates are included in this report. Because earnings data was drawn from the Washington Employment Security Department, the report does not track graduates who are:

- Employed out-of-state;
- Employed by the military or federal government;
- Self-employed;
- Attending graduate school or another postsecondary school; OR
- Missing information so that their records couldn’t be matched to ESD data for technical reasons.¹

At the Bachelor’s level, the report captures roughly 75 percent of UW graduates one year post-graduation, and up to 84 percent of UW graduates five years post-graduation. At the Master’s level, the report captures about 70 percent of UW graduates one year post-graduation, and 75 percent five years post-graduation.

The percentage of UW graduates who are included in the report varies by field of study. Thus, the strength of conclusions that can be drawn from the report also differs by field. At the Bachelor’s level, the proportion of UW graduates included in the report is highest in health and business and lowest in the STEM disciplines. At the Master’s level, the proportion of UW graduates who are represented in the report is highest in education, and again lowest in STEM.

How much is this information really worth?

There are other significant limitations to the report: no adjustments were made for regional differences in cost of living, and yet a \$50,000 salary in King County and a \$50,000 salary in Okanogan County have vastly different purchasing powers. Further, no adjustments were made for differences in students’ backgrounds and ages; and because the report

¹ In addition, the ERDC eliminated wage records for those working in fewer than four quarters of the calendar year or earning less than \$3,500 in a given quarter of a year or less than \$14,000 annually.

only provides wage data from the first five years following graduation, it does not accurately represent an individual's long-term career/economic success.

While the data limitations described above are certainly sufficient to undermine the validity of any generalizations or extrapolations from the report, the fundamental question of whether wage data is an appropriate element in choosing a field of study remains open. As Tracy Fitzsimmons, President of Shenandoah University, said in a testimony before Congress, "Focusing on employment earnings as the primary measure of value diminishes the deeper benefits of education, reduces the flexibility to address new educational needs, and ignores the very real contributions to society by those who choose to pursue lower paid service occupations."²

The *Earnings for Graduates Report* aptly notes that "many factors in addition to earnings are required to measure the true value of a degree... personal interest and skills are the most important factors in education and career planning."

While we wish to assist students and their families in making informed decisions about college, an emphasis on earnings sends the message that low-income professions, like teaching, are somehow less valuable or worthwhile than high-income careers. Society needs both.

See "[About the Earnings Report data](#)" for more information about the report.

² http://edworkforce.house.gov/uploadedfiles/09.20.12_fitzsimmons.pdf