



SOME COLLEGE, NO DEGREE

A look at those who left college early



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INTRODUCTION

Washington State has two educational goals for 2023: all adults aged 25-44 in Washington State will have a high school diploma or equivalent, and at least 70 percent will have a postsecondary credential. One population of interest regarding the second goal is the roughly 700,000¹ Washingtonians who attended college for some time, but left with no degree. This paper will examine the demographic characteristics of those Washingtonians with *some college, no degree* who are not currently attending college. Future research should delve into the reasons this population left college without successful completion. This paper will provide a snapshot of the age and racial/ethnic make-up of the population, as well as the employment and income distributions of those with some college, no degree.

SUMMARY OF FINDINGS:

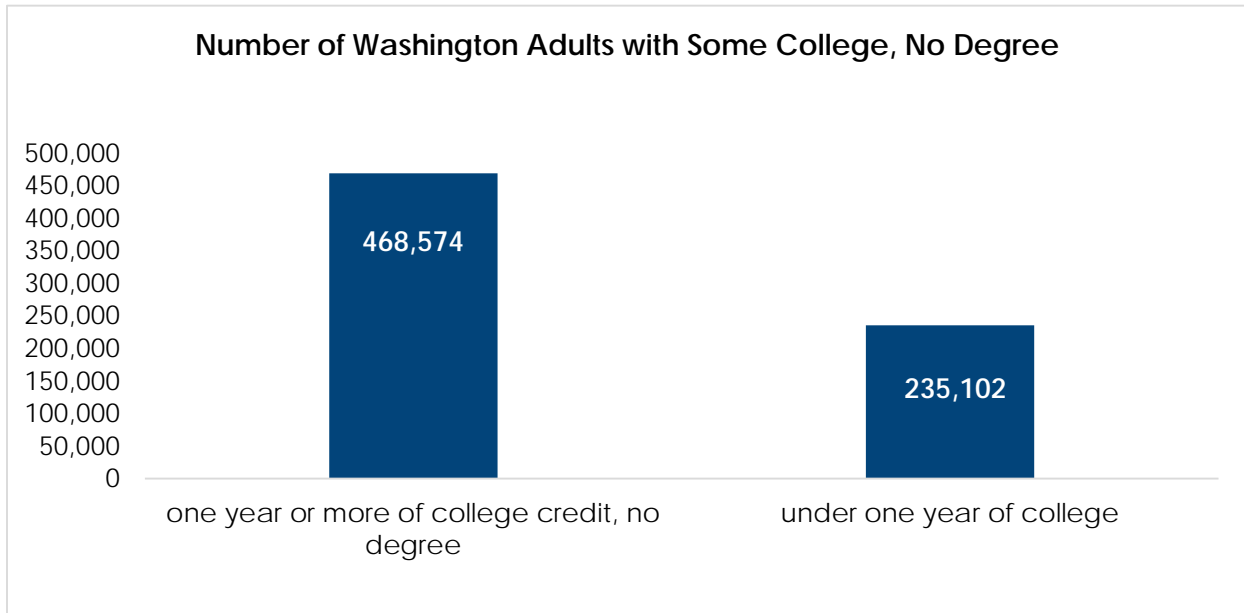
- Over one-fifth of those aged 17-54 in Washington have some college but no degree and are not currently enrolled. This population is fairly evenly spread across the 17-24, 25-34, 35-44, and 45-54 age groups.
- Two-thirds of those with some college, no degree have over one year of college credit.
- The racial/ethnic distribution of those with some college, no degree roughly follow the general population's distribution. Asians and Hispanic/Latinos are slightly underrepresented in the some college, no degree category. Whites and African-Americans are slightly overrepresented.
- At 25 percent, the age group 45-54 has the largest percentage of those with some college, no degree. Of all other age groups, 23 percent have some college, no degree.
- Unemployment rates of those with some college, no degree are roughly equal to that of the population as a whole when broken down by age categories.
- As educational attainment increases, the percentage remaining out of the labor force or unemployed decreases. Earnings remain relatively flat until an Associate's degree is obtained, at which point noticeable increases appear.
- Roughly 70 percent of those with some college earn less than the living wage necessary for a family of four in Washington
- Nationally, roughly 40 percent of those who attended college but left with no degree have student loan debt.

¹ American Community Survey, 2009-2013 5-year estimates. Note, this paper examines the population aged 17-54 exclusively. Therefore, roughly 700,000 Washingtonians aged 17-54 have some college, but no degree and are not attending an institution currently.

HOW MUCH COLLEGE WITHOUT A DEGREE?

As noted in the introduction, roughly 700,000 Washingtonians have some college, but no degree and are not currently attending college. Nearly half a million of those have over one year of college credit. This translates into roughly 20 percent of Washingtonians aged 17-54 having some college, but no degree and almost 16 percent with over a year of college, but no degree.

Figure 1: Washington Adults with Some College, No Degree, Not Attending



Source: American Community Survey, 2009-2013

RACE AND ETHNICITY

The share by race/ethnicity in the general population and those with some college, no degree follows roughly the same distribution with a few exceptions. Whites, African Americans and multi-ethnic individuals are slightly overrepresented in the some college, no degree population; Asians and Hispanics/Latinos are underrepresented.

Figure 2: Attainment by Race and Ethnicity

Race/Ethnicity	Total Population, Not Attending	Total Population, Not Attending (%)	Some College, No Degree, Not Attending	Some College, No Degree, Not Attending (%)
Hispanic/Latino	361,755	12%	58,721	8%
White	2,131,400	71%	535,839	76%
Black	109,713	4%	31,701	5%
American Indian ²	29,861	1%	7,997	1%
Alaska Native	2,841	0%	839	0%
American Indian/ Alaska Native	5,248	0%	1,281	0%
Asian	235,808	8%	34,554	5%
Native Hawaiian/ Pacific Islander	20,270	1%	5,517	1%
Other	3,759	0%	648	0%
Two or more races	94,167	3%	26,579	4%
TOTAL	2,994,822		703,676	

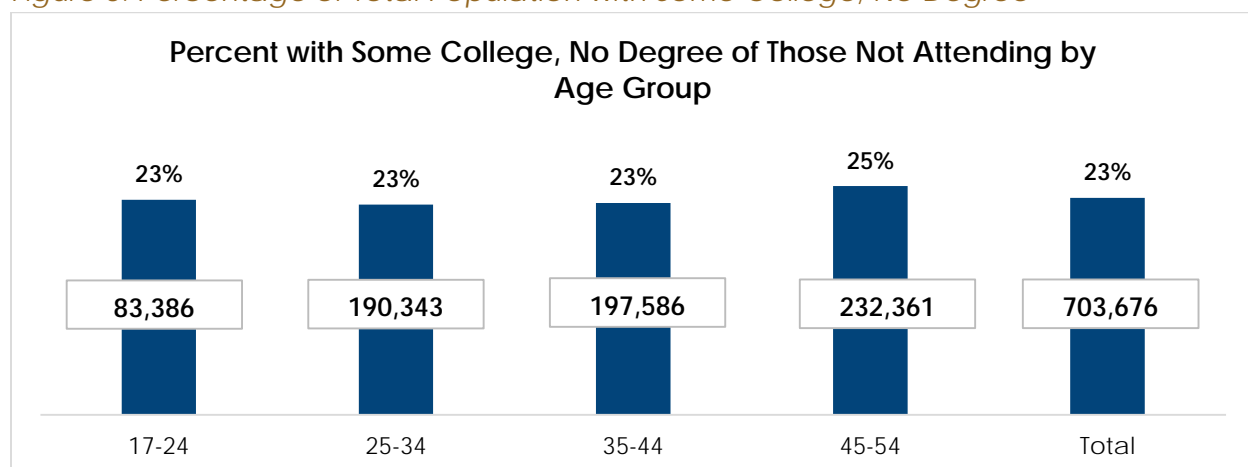
Source: American Community Survey, 2009 - 2013

AGE AND EMPLOYMENT

In this section, we compare the age and employment distributions of the population of Washingtonians who are not currently attending an institution to the subset of those with some college, no degree who are not currently attending an institution. Nearly a quarter of the adult population aged 17–54 have some college but no degree and are not currently attending college. Unemployment rates for this group are roughly equal to those of the population as a whole.

² The American Community Survey allows respondents to select a specific American Indian or Alaska Native tribe; alternatively, a respondent can simply select “American Indian/Alaska Native”. If the respondent selected “American Indian/Alaska Native”, he/she is placed into the collapsed category.

Figure 3: Percentage of Total Population with Some College, No Degree



Source: ACS 2009-13 5 Year Estimates, 17-54 Only

Note: Total population (denominator) includes those not currently attending postsecondary institutions. The numerator, those with some college but no degree, also includes those *not* currently attending a postsecondary institution.

Figure 4: Total WA Population Adults, Ages 17-54 (not attending)

Age	Civilian Employed	Unemployed	Not in Labor Force	Total
17-24	65%	15%	20%	342,011
25-34	76%	7%	17%	817,908
35-44	77%	6%	17%	853,838
45-54	76%	6%	18%	936,891
Total	75%	7%	18%	2,950,648

Source: ACS 2009-13 5 Year Estimates, 17-54 Only

Figure 5: Some college, no degree (not attending)

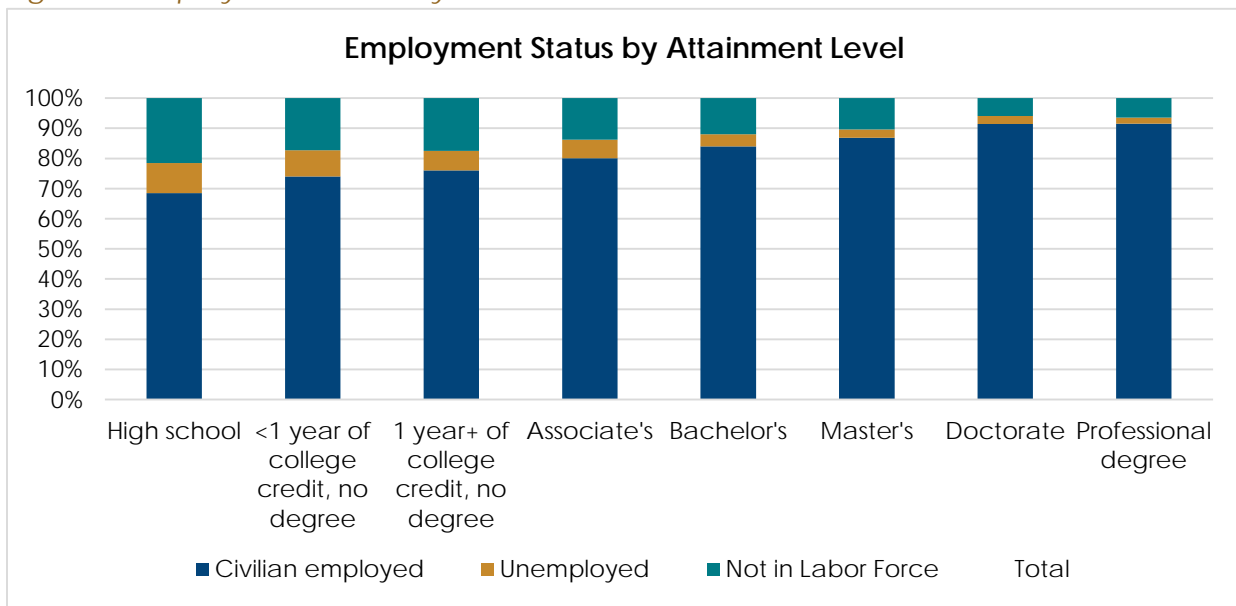
Age	Civilian Employed	Unemployed	Not in Labor Force	Total
17-24	71%	13%	16%	77,541
25-34	76%	8%	16%	83,147
35-44	76%	6%	18%	94,483
45-54	76%	6%	19%	232,053
Total	75%	7%	17%	687,224

Source: ACS 2009-13 5 Year Estimates, 17-54 Only

ATTAINMENT, EMPLOYMENT, AND EARNINGS

Figure 6 shows the relationship between attainment and employment status. As attainment increases, the share of adults who are not in the labor force or unemployed decreases. In Figure 7, one sees that until an associate degree is achieved, earnings remain relatively flat—even when limiting the population to those who are employed. In other words, unemployment and earnings do not seem to differ greatly among those with under a year of college credit or a year or more of college credit. It is not until the next degree category—associate degree—that any differences in income are readily apparent.

Figure 6: Employment Status by Attainment Level

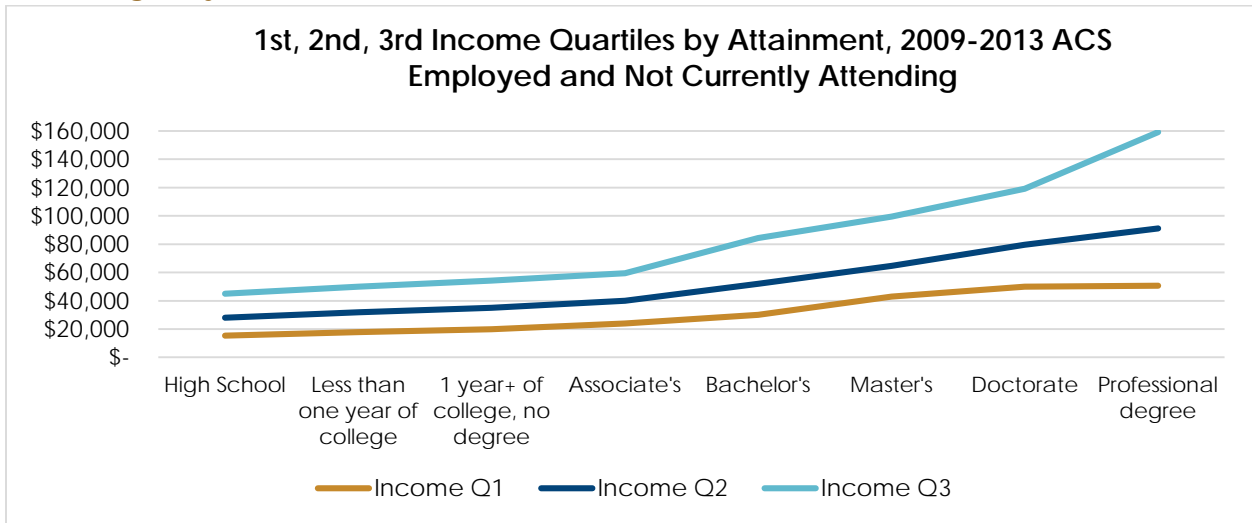


Source: ACS 2009-13 5 Year Estimates, 17-54 Only

When comparing all individuals, ages 17-54, regardless of employment, an associate degree raises one’s salary roughly \$10K at the median and 3rd quartiles. A bachelor’s degree increases pay by roughly \$25K at the median and \$35K at the 3rd quartile.

When restricting analysis to only those who are employed, earnings rise across the spectrum, as earnings are no longer depressed by unemployed or out-of-the-labor-force folks. However, the gap is smaller between associate degree holders and those with some college, no degree: the gap falls to \$6K at the median. This fits with the findings from figure 6, which shows greater unemployment among those with some college or a high school degree compared to those who have attained degrees.

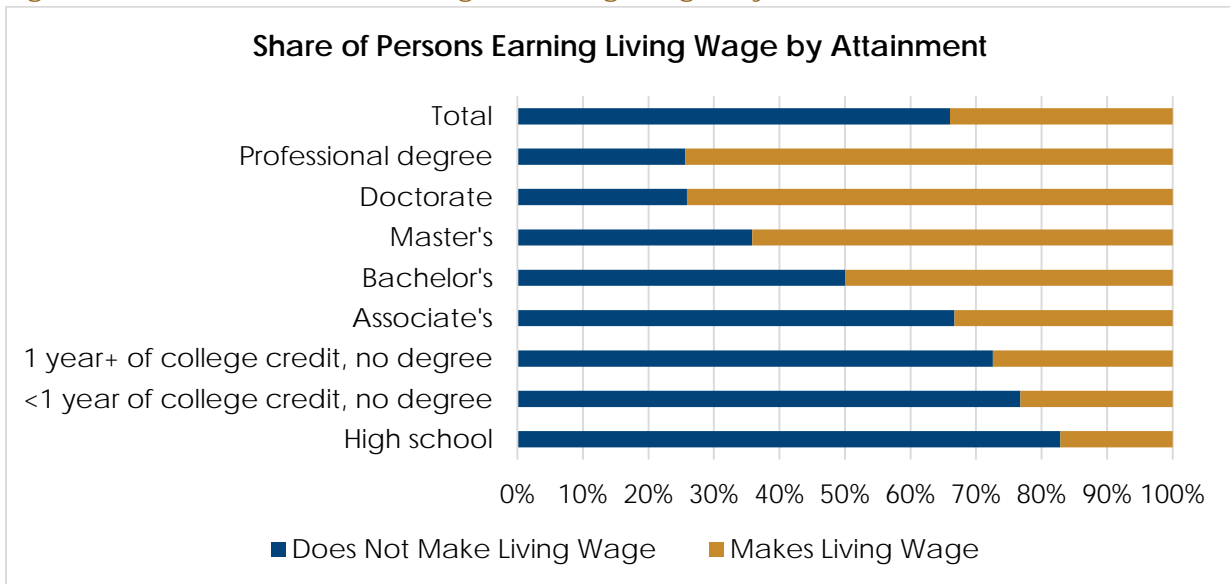
Figure 7: 1st, 2nd, and 3rd Income Quartiles by Attainment—Employed and Not Attending Only



Source: ACS 2009-13 5 Year Estimates, 17-54 Only

Further, the percentage of persons earning less than a living wage declines steeply as attainment increases. Over 70 percent of both those with under a year and those with over a year of college but no degree earn less than \$47,861, which is the annual living wage for a family of four in Washington.³

Figure 8: Share of Persons Earning WA Living Wage, by Attainment Level

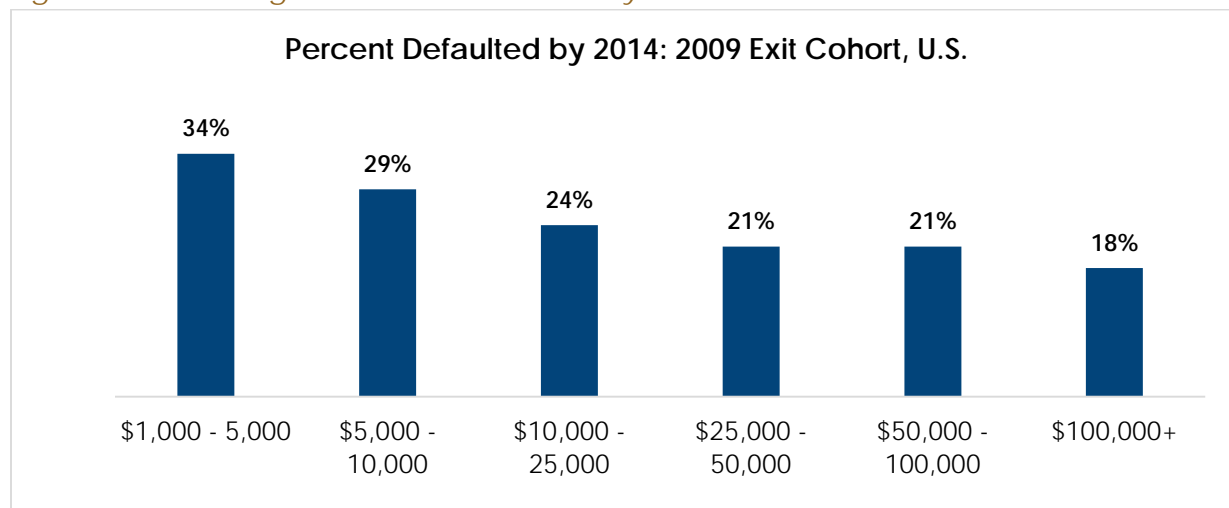


³ Living wage calculations can be found here: <http://livingwage.mit.edu/states/53>. The living wage is calculated as follows: \$23.01 (hourly wage)*2080 hours per year = \$47,861.

Source: ACS 2009-13 5 Year Estimates, 17-54 Only

One important consideration with respect to earnings and employment is that those who have some college likely have some student loan debt. With depressed earnings, these loans are more difficult to manage. According to the Federal Reserve's report on economic wellbeing,⁴ 39 percent of those who left their postsecondary institution without completing a degree took on loans. Furthermore, of the 2009 exit cohort of borrowers, those with student loans under \$5K are most likely to default.

Figure 9: Percentage Borrowers in Default by Loan Amount



Finally, the Federal Reserve Board's survey asked respondents who attended for some time why they failed to complete their degree. Nearly 40 percent said they dropped out due to family responsibilities. Other responses included that it was too expensive, or the cost outweighed the benefits.⁵

⁴ Board of Governors, Federal Reserve System. May, 2015. "Report on the Economic Well-Being of U.S. Households in 2014"

e-link: <http://www.federalreserve.gov/econresdata/2014-report-economic-well-being-us-households-201505.pdf>

⁵ Equifax. April, 2015. "New Insights Into Student Loans and Income-Based Repayment."

e-link: http://www.equifax.com/assets/corp/student_loan_research.pdf

CONCLUSION

As Washington seeks to improve postsecondary attainment, the population of adults with some college but no degree should be of interest to policymakers. Roughly 700,000 Washingtonians have at least some college credit, and two-thirds of those have over a year of college credit. The data show that the earnings of these individuals are depressed and also that a large share of these individuals have student loan debt from their time in college. Furthermore, the unemployment rate for those with degrees is lower than for those with some college but no degree. Encouraging this population to complete their degrees could be one way to address the skills gap facing Washington's workforce, improve earnings and employment for this population, and to contribute toward reaching Washington's postsecondary attainment goal.

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