



# THE ROLE OF

# ALTERNATIVE CREDENTIALS

Enhanced marketability and job security are just a few of the benefits

**BY TOM DARLING**

When faced with a tough job market, those individuals who can demonstrate a unique and specialized skillset will clearly be at a competitive advantage. Research has proven that alternative credentials are not just valuable in landing a job, but help to boost salary potential and improve job security over the long run.

Today, roughly 63 percent of all jobs require some form of post-secondary credential in the form of a nationally-recognized certification, a technical certificate or a traditional degree. And according to a study by Georgetown University, the demand for alternative credentials is only going to increase in the next three to five years. By the year 2018, an estimated 101 million total jobs will require some form of post-secondary education.

## The Salary Factor

According to the U.S. Census Bureau, 50 million Americans who do not hold a college degree have earned some type of alternative credential. Their study reported that the median monthly salary for someone with a professional certification or license is \$4,167, compared with \$3,433 for someone with only an educational certificate. Median monthly salary for those workers without any alternative credentials is \$3,100.

The financial benefits of alternative credentials in comparison with a traditional degree largely depend on the field of occupation. There is no arguing that certain occupations may prefer alternative credentials over degrees in fields such as IT, manufacturing and other skilled

trade occupations. However, the best combination for high financial return is pairing degrees with credentials. This provides learners with the best of both worlds and affords the learner greater opportunities and career choices.

### Mastering the Skills

Credentials can help individuals become workforce ready by gaining specific competencies, while also increasing their value within the marketplace. In comparison to traditional degrees, the emphasis is on building and assessing learners' skills. Alternative credential holders are required to pass a third-party exam that tests and measure the student's knowledge and competencies outlined in the certification. The strict separation between exam preparations and testing provides less opportunity for bias relative to tests created in traditional classrooms. Once a learner has earned a certification, employers and colleagues can tangibly verify the set of skills that the learner

has mastered. This aspect holds significant value when employers are evaluating potential employees.

Alternative credentials are well established within the job market, and their value is growing at an exponential rate. However, funding for alternative credentials is clearly behind the curve. Only \$3.4 billion of federal funds went toward preparing people for the 62 million jobs that require middle-skills training, while \$37 billion went toward preparing people for 55 million jobs which require a four-year degree, according to the National Skills Coalition.

However, this lack of investment is not slowing down some employers from requiring employees to hold alternative credentials. Of the 50 million Americans who hold one, 76 percent reported that the credential was a job requirement. Additionally, 96 percent of alternative credential holders believed that their current credentials would be useful when looking for a different job within their current field.

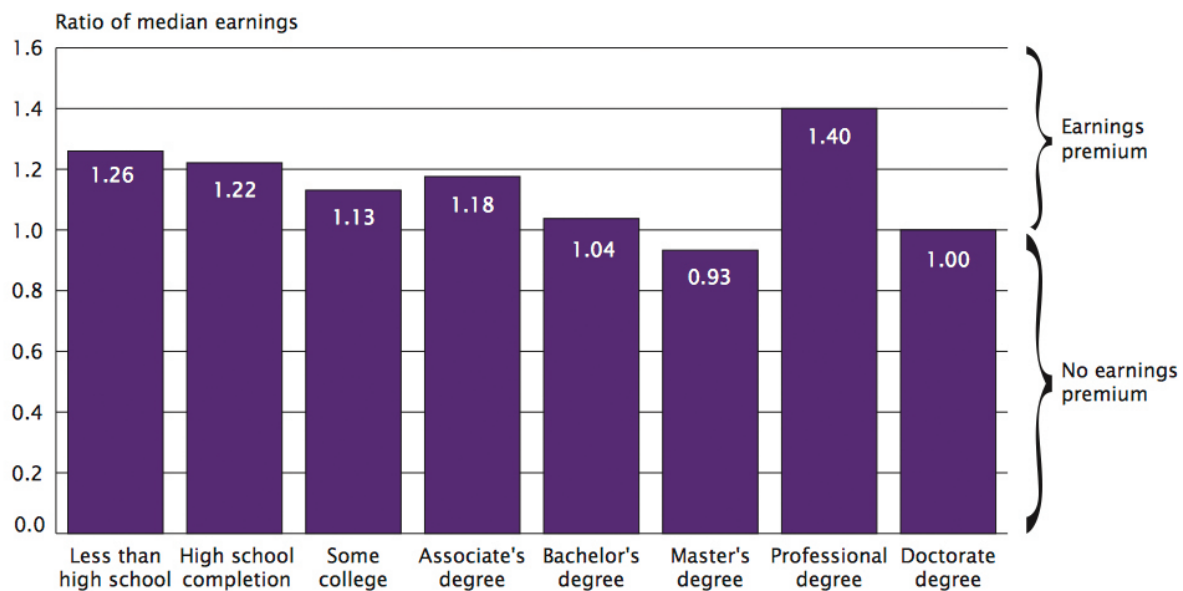
### Planning for the Future

Employees will always be faced with validating their value in the workplace, and alternative credentials offer a tangible way to build on that value. Alternative credentials are respected and well established within the educational and professional community. Furthermore, their value will increase in the coming years. While there are places where professional certifications work better than traditional degrees, and vice versa, ultimately the well-prepared professional will have both. 🌟



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Figure 2. **Median Monthly Earnings for Professional Certification or License Relative to No Alternative Credential by Education Level: 2012**



Note: Nonrespondents are not included in estimates of alternative credentials. Only people employed full-time for the 4 months before the survey with positive earnings are included in these analyses.  
 Source: U.S. Census Bureau, Survey of Income and Program Participation, 2008 Panel, Wave 13.