

Jason Altmire ([00:04](#)):

Hello everybody, and welcome back to Career Education Report. I'm Jason Altmire, and today we're going to talk about stackable credentials. And that is a phrase that we hear a lot of. It's one of the most frequently used phrases. I'm not entirely certain everybody knows what it is or why it's important. So today we thought we would bring in an expert on that topic.

([00:29](#)):

And that is Lindsay Daugherty. She's a Senior Policy Researcher at Rand Corporation. They're a nonprofit, non-partisan research firm. She's also a Researcher for Rand's Lowy Family Middle Class Pathways Center, and she's a faculty member at Parry Rand Graduate School. And most importantly to today's topic, she's leading studies on short-term and stackable credentials in multiple states across the country, and has written extensively about it. Lindsay, thank you for being with us.

Lindsay Daugherty ([01:02](#)):

Thank you for having me, Jason. This is one of my favorite topics. I'm really looking forward to talking about this with you.

Jason Altmire ([01:06](#)):

Great. Well, let's just start by talking about Rand Corporation. Some people may not know, what is Rand Corporation? What do you focus on? And specifically on higher education, what is the interest of Rand?

Lindsay Daugherty ([01:20](#)):

Yeah, so Rand is really a place where we help policy makers and other key decision makers come up with solutions to issues that they're facing, whether they are government policy issues, or whether it is a local policy issue, or challenges that some of our corporations are facing out there. They will bring on Rand researchers to help think through the issue and use the best research tools out there to solve the problem.

([01:48](#)):

And so when it comes to higher education, we really focused on a lot of different things. We are looking at workforce development and some of these career and technical education pathways in community colleges. We are looking at financial aid and the funding of higher education. We're looking at early college courses in Math and English, and we're also looking at student support, so connecting college students with programs like Supplemental Nutritional Assistance Program, and other types of resources like that.

Jason Altmire ([02:24](#)):

And with regard to stackable credentials, which is one of your areas of expertise, as I mentioned, that's become a very popular phrase. You hear a lot about it. But I think part of the issue with people not really understanding what it is, is it can mean different things. How do you define stackable credentials?

Lindsay Daugherty ([02:45](#)):

Yeah, when I think about stackable credentials, I really think of a set of different short-term, long-term credentials. It could be certificates, it could be degrees, it could be industry recognized credentials, like certifications and licenses, that are built into a sort of pathway, are often referred to as a career pathway, where individuals can work on different credentials over their career. And these credentials fit

together, and the coursework fits together in a logical sequence to help prepare them for their different job needs throughout their career.

[\(03:17\)](#):

And again, these can include credit bearing college credentials, and your typical college courses, or these could be non-training experiences that are helping to prepare individuals for industry credentials. And our work typically focuses on individuals who start with a shorter term credential, typically an applied area, like healthcare, IT, or engineering technology, and first earned that six month, three month, year long certificate, and then go on to earn additional certificates and degrees after that, as they have additional skill needs in their applied area. Business is another really popular area for these stackable credentials.

Jason Altmire [\(04:00\)](#):

So what we're talking about, below bachelor's level, right?

Lindsay Daugherty [\(04:05\)](#):

Typically. People use stackable credentials often to refer also to stacking. You can stack credentials at the graduate level as well. So it may be that there are stackable credential pathways being built out in business fields, where individuals are earning different, whether it be IT or business skill sets that they need beyond a bachelor's degree level.

[\(04:28\)](#):

But the area where our research has mostly focused has been this sub baccalaureate population of students who are coming in, and initially getting that kind of three month, six month welding certificate. People are coming in and earning something to prepare them for a specific career in a field, and give them a specific skillset. And then later on, they go on and get some of that general education, the English, Math, those types of courses. But really, that initial certificate's focused on getting them that occupational skillset.

Jason Altmire [\(04:59\)](#):

And for those that seek stackable credentials, and colleges that offer them, what are the goals? And why is it so important? Why is it more important now than it has been in the past?

Lindsay Daugherty [\(05:13\)](#):

Yeah. Well, I think our traditional degree system, where everyone was going through and going straight to the bachelor's degree, and you either had a high school graduate or you had a bachelor's degree, really was not appropriate for a lot of jobs. There are a lot of jobs that require skill sets in between a bachelor's degree and the high school diploma. And so I think that stackable credentials really provide a lot more flexibility within the higher education system, to tailor these pathways of education and training to the specific needs of employers.

[\(05:45\)](#):

And so a lot of times people will refer to these employers and these job needs as middle skills jobs. A lot of positions in healthcare and IT require, again, six months, a year of training, and they really want individuals to come in, get a little bit of education, but really get on the job quickly and get that on the job skillset.

[\(06:04\)](#):

So having these stackable credentials allow them to mix education and this on the job experience to a greater degree than your traditional bachelor's degree program, where you come and you sit in classes for four to six years, and you don't go out onto the job until you're in your mid-twenties. So I think that's one really critical reason, is to meet those workforce needs better.

(06:24):

And then I think the second reason is that our traditional higher education system has really shut out a lot of groups of people who could potentially benefit from some sort of post-secondary education, because not everyone's interested in sitting in classes for another four to six years after high school. And a lot of people want to work in applied fields, and get in there and learn skill sets quickly, and not take English and Math for years and years.

(06:48):

And so providing those opportunities for them to get a taste of what post-secondary education looks like, and to demonstrate that post-secondary education isn't all traditional, a lot of it is very applied, and really can help prepare them directly for jobs, really opens up the higher education system to a much broader range of students.

Jason Altmire (07:08):

Has your research shown that stackable credentials have a positive impact on earnings?

Lindsay Daugherty (07:15):

Yes. So we have looked across several states, and others have looked beyond the states that we have looked at, and we are consistently finding that stacking credentials can lead to meaningful gains in earnings. So our research, we looked at Ohio, at individuals who stacked in healthcare, manufacturing and engineering technology, and IT fields. And what we found is that on average, individuals saw a \$9,000 increase in earnings from stacking credentials each year.

(07:48):

It doesn't sound like a lot, but that was really significant amount for these low income individuals who are initially going into these programs. When you look across California data, Colorado data, Virginia data, you see a consistently similar thing, that you do see increases in earnings. But the important caveat is that the returns to stackable credentials really vary pretty significantly across different fields. And so on average, we see these gains, and I told you when you look at some of these fields like healthcare, IT, engineering technology, those are the ones that really, really see some strong gains in.

(08:22):

But when we looked in Colorado and Ohio, and we looked by field, we saw that there were some childcare, culinary arts, where many individuals were stacking credentials and seeing very small earnings gains, and probably not recouping the costs of the tuition that they paid and the loss earnings from participating in that education.

(08:44):

So we really need to be thoughtful. We need childcare workers, so we need to think about how we're going to train and cover the costs of childcare work. So that one I think is a tougher one to crack. Culinary arts, we may need to think about why we're requiring a bunch of college credentials in culinary arts, if the field does not provide those returns for those credentials.

Jason Altmire (09:09):

There are roughly 1 million people per year that earn certificates across the country. And I was wondering if you had just a general idea of approximately what percentage of those people go on to then do stackable credentials?

Lindsay Daugherty ([09:26](#)):

Yes, so we do not know nationally, we did not have national numbers on that. It's not something that's tracked by the US government. We do know from looking in a couple of states, both Colorado and Ohio, that we are seeing about 40, 42% of students who complete that initial college certificate, typically a community college certificate, go on to complete another credential within two or three years of that initial certificate.

([09:54](#)):

So again, this is a really particular group of students who are stacking in a particular way, individuals who are already in a community college and earning that certificate. When you look at studies that look at non-credit to credit transferred, so how many individuals are going from these non-credit industry credential training programs that are often offered through Department of Labor funded training, like WIOA, and you look at how many of them are transitioning on to additional programs and stacking credentials, it's very few. Fewer than 5% are going on to stack credentials.

([10:27](#)):

So it really depends on what you're talking about. And the toughest thing to track and know about is how much stacking is happening of industry credentials, because there are no national or state data sources that consistently track things like Comp TS certifications, or American Welding Society certifications. And so it's very difficult to look at stacking of educational and industry credentials without those consistent data sources.

Jason Altmire ([10:57](#)):

One of the things I found most interesting about the report I read, that you and your team did on states and what they're doing with regard to stackable credentials, is you had several actions that states are doing, in the states that you have studied, because they've realized the importance and they've realized that states have a responsibility to help facilitate this. Rather than just sitting it out and watching from the sidelines, states have actually decided to help, both colleges put together stackable credentials and prioritize them, but also to help students figure out what's best for them. So what are some of the actions that states are taking?

Lindsay Daugherty ([11:38](#)):

Yeah, so there were five different things that we found that states were doing. And again, we've really been partnering with some leaders in this space, like Ohio and Colorado, who I think really have been forward-thinking about how to support colleges in building out these stackable credential pipelines.

([11:55](#)):

And the first thing that they're doing is really thinking about how to define credentials of value. So they want to make sure that stackable credentials are not just any old program, and let's carve out as many short term, let's carve every program into three different pieces, and call it a different credential. They really want to make sure that the credentials that are being offered within these pathways directly connect to some job that are being asked for by industry.

([12:23](#)):

And so, really figuring out how to define that. Is it looking at earnings gains? Is it looking at the demand for individuals in that particular field? Is it talking with employers in the field to make sure that that's a credential that they really care about? Making sure to define those credentials of value.

[\(12:41\)](#):

And I think employer and industry value is really one important piece, but also, staff-ability is an important part of how many states are defining credentials of value. So it may not be that you have high earnings right when you get out from that first three-month credential program, but in the long run, you can build up to a career that is going to get you good earnings.

[\(13:03\)](#):

That's really important for a lot of states, is defining those credentials of value. The second thing states are doing is providing funding. So there's formula funding. This is the funding that typically goes to colleges, to pay for courses and credentials. And really, a lot of states have been expanding those. Those were traditionally going only to degree programs in many states. And now, states have expanded those to shorter term certificates.

[\(13:28\)](#):

Also, states are providing financial aid to students. A lot of these programs, particularly the shorter term ones, are not covered by federal financial aid. And so states are helping students to cover the costs of the programs. And then finally, these programs can be really expensive for colleges to create. So a lot of times these applied programs require expensive equipment, and they have faculty that can be hard to hire, because they can make a lot of money out in industry. And so, really providing some dedicated funding to colleges, so that they can help build out these strong pathways and put the thought into them. So that's the second thing that states can do.

[\(14:08\)](#):

The third thing that states are doing is really establishing these statewide credit for prior learning initiatives. So traditionally, colleges have been awarding credit for prior learning. If you walk into some community college, many of them will offer you credit for your industry credential that you have. But a lot of times, they'll make you take tests, and the policy differs from one college to another. And states like Ohio have said, "Enough of that."

[\(14:37\)](#):

If you have a COMPT certification, that is going to be worth three credit hours no matter what Ohio public college you walk into. So you know that credential is stackable across all our institutions. And so that's a really critical thing, I think, that states can do. The fourth thing states can do is really figure out how to improve these non-credit to credit transitions.

[\(14:59\)](#):

Yeah, they're really, again, are just these big silos between our non-credit training system and our credit systems. So things like aligning reporting requirements across non-credit and credit programs, and providing guidance on how institutions can bridge funding across non-credit and credit training is really important.

[\(15:19\)](#):

And then the fifth thing that states can do is really to spread the word about the range of different education and training options that colleges are offering. I think when I talk to my family and friends about what I do in my research, it's so interesting that everyone really still thinks of college through the

prism of the Harvard stories, and these elite Ivy League institutions, and that everyone is getting a four year bachelor's degree. And that does not represent the vast majority of our higher education system.

[\(15:50\)](#):

So really getting the word out to people that college is everything. College is training for applied positions out in fields, and it's not just all bachelor's degrees. I think that could really help to rebrand higher education in a lot of people's minds, and build up some support in a time when there really is dwindling support for higher education in the United States.

Jason Altmire [\(16:13\)](#):

And on that note, the flip side of what the states are doing, is what the colleges themselves are doing. So you also address this in your report. What are some of the actions that colleges are taking to facilitate stackable credentials?

Lindsay Daugherty [\(16:30\)](#):

First and foremost, just offer the programs. Build short-term programs that offer value to students. So the states are going to define what programs offer value, and then the colleges can use those lists to figure out which programs they should be offering. And really, going in and identifying within the degree programs, where can we be aligning these with industry credentials? Where can we be building shorter term certificate programs into our longer term applied degree programs?

[\(17:01\)](#):

So that's the first thing, is really building those programs, and then embedding them in those shorter term credentials into those longer term credential programs.

[\(17:09\)](#):

The third thing is providing flexible programs. So making sure that individuals can participate in these programs while they're working. Most people who are stacking credentials are adult working parents who need to accommodate a lot of different things that are going on in their lives. And so whether that's offering really flexible programs, like competency based education, and allowing individuals to attend classes on weekends and nights.

[\(17:39\)](#):

In some cases it's partnering with employers to offer some of the educational services on site, so that individuals don't have to leave the job site to get their training. And really, there's starting to be some emerging research that shows that some of the most promising models are not the most flexible models, that some of the models that use really tight cohorts, and have accelerated learning, where individuals can go into a program and really attend four hours a day for two months, and get those credentials by the end, and get back out into the workplace, that sometimes that is the best program for an employer.

[\(18:14\)](#):

They would rather get you trained in a shorter period of time, more intensively, and get you out. So I think that there's a lot of different ways that colleges can offer flexible programs. And it really takes spending time with your local employers and with your learners to understand what type of program is most going to accommodate their needs.

[\(18:34\)](#):

The fourth thing that colleges can do, is to really communicate about the range of different options that they have, and then also really be clear about how they connect to different jobs. Most people are not going to college because they want to earn a bunch of credentials. They're going to college because they want to get a better job, and they want to increase their skillset and get paid more. It's such a simple thing, but having a pathways map that says, "This credential goes to this credential. And this credential gets you this job. And this credential gets you this job," it's such a basic idea, but it's surprising how few colleges have these on their websites, right there where students can find them.

[\(19:15\)](#):

And so just something as simple as that can really be helpful, I think, in conveying to individuals how these stackable credentials fit together and how they lead to good jobs.

[\(19:23\)](#):

And then the fifth thing is really making sure that you provide comprehensive student supports. So again, a lot of times students who are attending these programs are low income adults who are dealing with a number of things going on in their lives, and can really benefit from things like nutritional support, childcare, financial assistance with the program.

[\(19:44\)](#):

And there's one really innovative program that Ivy Tech has in place, called the Achieve Your Degree Program, where they are engaging the colleges and employers in developing agreements together to support the individuals who are going through training. So how can we provide full wraparound supports, both from the employer and from the institution, to make sure that students can move through these programs?

Jason Altmire [\(20:07\)](#):

This has been very instructive, because as I said, we have some folks who were wondering what stackable credentials are, but I think the larger group in this listening audience are people that are offering stackable credentials, and realize the value, and want to know how to scale those efforts to the benefit of the student. So I think this has been very helpful and informative. If somebody wanted to reach you and learn more, how would they find you?

Lindsay Daugherty [\(20:34\)](#):

We have all of our reports publicly available online at www.rand.org. And our contact information is there on the website as well. So please feel free to reach out anytime, and it was great to talk with you about this, Jason.

Jason Altmire [\(20:47\)](#):

Our guest today has been Lindsay Daugherty. She is among many other things, a Senior Policy Researcher at the Rand Corporation, focusing on education and stackable credentials. Lindsay, thank you for being with us.

Lindsay Daugherty [\(21:03\)](#):

Thank you, Jason.

Jason Altmire [\(21:12\)](#):

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