

Measuring the Outcomes of College Nondegree Programs: Value Across Stakeholders





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PROJECT BACKGROUND

Nondegree programs continue to be an expanding field of interest and enrollment in the U.S. higher education landscape. Frequently developed in response to labor market needs, they offer alternative, flexible pathways to credentials that can be completed more quickly than traditional degrees. Nondegree programs typically refer to postsecondary education programs that yield nondegree credentials, which may include certificates, industry certifications, occupational licenses, apprenticeship certificates, badges, and other forms of microcredentials. These programs can be either credit-bearing or noncredit-bearing, and depending on institutional design, they may also be stackable with other degree or nondegree programs.

Despite their growing prominence, nondegree programs vary widely in definition, structure, purpose, and outcomes. This variability creates challenges for stakeholders—such as learners, institutions, employers, funders, researchers, and policymakers—who need to understand how these programs operate and how their value can be measured. Greater clarity can strengthen access to quality credentials and inform policies and incentives.

To build this understanding, the American Council on Education (ACE)—with support from Lumina Foundation—conducted a multi-part study of the ecosystem of nondegree programs. The study focuses on offerings within postsecondary institutions, examining their structures; the roles of colleges and external partners; the influence of policy environments; and the ways outcomes are defined and assessed. This work also informs ACE's ongoing effort to update the Carnegie Classification of Institutions of Higher Education, with the goal of advancing a more inclusive framework that reflects the diverse educational portfolios of institutions, including nondegree education. Together, this work contributes to a fuller and more accurate picture of postsecondary education and its impact.

The project was conducted by Ji Hye “Jane” Kim, Austin Freeman, and Erica Swirsky at ACE—in collaboration with Alisa F. Cunningham, John Archacki, and Elexus Robinson at Higher Ed Insight—under the direction of Hironao Okahana at ACE.

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INTRODUCTION

Nondegree programs have become an increasingly prominent part of the postsecondary landscape, offering benefits across multiple stakeholder groups: learners, employers, institutions, and society at large. For learners, these programs provide accessible opportunities to acquire new skills, refresh existing ones, and build pathways for career mobility. Employers benefit by gaining access to a workforce equipped with targeted, job-ready competencies that align with evolving industry standards and workplace needs. Colleges and universities can broaden access, diversify enrollment, generate new revenue streams, and further their missions of serving a wider range of learners. At the societal level, nondegree programs can strengthen workforce adaptability, expand economic opportunity for historically marginalized groups, and support civic participation (Van Noy et al. 2019).

Despite these wide-ranging contributions, it is difficult to evaluate their systemic impact. With more than 100,000 such credentials currently offered by postsecondary institutions (Credential Engine 2022), impacts vary widely. Some programs yield substantial wage and employment gains, while others deliver minimal returns. Data systems provide partial insights but remain fragmented, preventing a full understanding of outcomes across programs, institutions, and learner populations.

This fourth and final brief in the Lumina Foundation–funded series on the ecosystem of college nondegree programs examines what matters most in college nondegree programs by considering their diverse values to learners, institutions, employers, and society and by assessing the extent to which those values can or cannot be captured with existing data infrastructure. In addition to findings from previous studies, this brief incorporates insights shared by experts at ACE’s Nondegree Programs Convening held in May 2025. The brief concludes with open questions for future study and implications for the future classification of colleges and universities.

VALUE FOR LEARNERS

For learners, nondegree programs provide faster and more affordable pathways to education and employment than traditional degrees. They typically require lower tuition investment and less time to complete, making them accessible to working adults, career changers, and individuals who may not otherwise pursue higher education. Flexible delivery models—online, hybrid, part-time, or evening and weekend schedules—further expand access for nontraditional learners balancing work and family responsibilities. Another important design feature is stackability: the idea that many certificates are structured so they can later be applied toward future degrees. This approach allows learners to start small and gradually build their educational journeys without committing to a two- or four-year program. Such flexibility expands options for lifelong learning and makes higher education more responsive to the rhythms of the labor market.

Ultimately, learners evaluate nondegree programs by the outcomes they deliver. To be worthwhile, nondegree credentials must generate tangible returns. For learners, the primary measures of value are employment outcomes such as job placement, wage growth, and broader career mobility (Sigelman et al. 2025; Van Noy et al. 2019). Job placement can be measured by whether a credential holder is employed after completing the program, while wage growth is typically assessed by comparing the earnings of nondegree credential holders with those of similar individuals who did not obtain such credentials. These outcome measures not only capture employment and earnings but also serve as indirect indicators of skill transferability. At ACE’s Nondegree Programs Convening in May 2025, experts emphasized that the most critical determinant of value is whether learners gain applicable, portable skills that enable advancement in their current field or open opportunities in new ones. Although such skills are difficult to quantify directly, evidence such as wage gains among workers who remain in their field suggests that nondegree programs can provide transferable competencies valued in the labor market.

Evidence shows that completers are more likely to be employed full-time, report higher earnings, and express greater job satisfaction than peers without such credentials (Hanson 2021; Strada Education Network et al. 2019; Tesfai et al.

2018). Program-level and state-level studies reinforce these positive patterns while also showing important variation by industry, occupation, and gender. Research finds that certificates generally improve employment prospects and earnings, with especially strong effects in health-related fields (Belfield and Bailey 2017; Jepsen et al. 2014; Sigelman et al. 2025; Stevens et al. 2019; Xu and Trimble 2016). Returns, however, are smaller and less consistent than those for longer programs and can fade over time (Belfield and Bailey 2017; Hanson 2021; Jepsen et al. 2014). When data is disaggregated by gender, men often see larger absolute wage gains, but women sometimes experience greater percentage increases in particular career-technical fields (Strada Education Network et al. 2019). These findings underscore that the value of certificates cannot be generalized and must be assessed in context.

Despite encouraging results, the evidence base remains limited. Many studies blur the distinction between college-issued certificates and industry credentials. Analyses that link administrative transcripts and wages provide stronger evidence but are fragmented across states and exclude workers who are outside the state system or are self-employed. Noncredit programs are particularly underexamined due to inconsistent coding and poor integration with wage data (Van Noy et al. 2024). Longitudinal studies are rare, leaving open questions about whether wage and employment benefits persist over the long term (Demsetz et al. 2023).

VALUE FOR INSTITUTIONS

For colleges and universities, nondegree programs represent an important opportunity to extend their reach in an era of heightened skepticism about the cost and value of higher education. These programs can attract new learners who might otherwise bypass college while also helping institutions advance their access and equity missions. By opening doors to students from varied backgrounds, nondegree offerings contribute to more diverse and inclusive learning environments where individuals bring different worldviews and lived experiences. In some public systems, nondegree credentials can also be applied as credit for prior learning, validating students' previous experience and creating clearer pathways to degree programs (Soler et al. 2024). Together, these features strengthen accessibility and help institutions serve learners who have historically been excluded from traditional degree pathways.

Nondegree offerings also diversify enrollment pipelines and institutional revenue streams (Archer-Rosenthal 2022). At a time of demographic decline and persistent enrollment challenges in traditional degree programs, certificates and noncredit courses provide alternative sources of growth. They can also deepen engagement with local communities and employers, strengthening ties with regional economies and reinforcing public missions.

Yet institution-level assessment remains constrained by limited data. Existing reporting systems—such as IPEDS—provide only a partial picture of nondegree programs and capture little about their quality or outcomes (Kim et al. 2025). Data used to inform learners about program choice can indicate to institutions which program offerings are most beneficial to students. Without more robust and standardized reporting, institutions cannot reliably identify which offerings deliver strong value; which can be scaled; and which should be rethought. By broadening the indicators used and integrating both credit and noncredit reporting, colleges can more effectively evaluate their performance, tailor programs to learner and labor market needs, and ensure that nondegree education contributes meaningfully to institutional strategy and public accountability.

VALUE FOR EMPLOYERS

Employers play a central role in determining the value of nondegree programs. As the primary consumers of talent, they shape demand for specific skills and influence how different credentials are perceived in hiring and promotion. Because of this, employers have a vested interest in ensuring that completers of college-issued nondegree programs are equipped with competencies that translate directly into workplace productivity. Hiring and advancement practices—along with the inclusion or absence of credential signals in job postings—serve as a reflection of employers' perception of the utility of these programs.



Despite this influence, employer recognition of nondegree credentials remains uneven. Smaller colleges and universities often lack the capacity to establish strong partnerships with local employers, limiting opportunities for internships, apprenticeships, or codesigned curricula. Job postings and hiring committees frequently provide little clarity on how nondegree programs are valued, and employers themselves do not always articulate how completers can demonstrate the competencies they seek. Findings from interviews conducted by the Harvard Workforce Project highlight these barriers, showing that uncertainty on both sides can hinder effective pathways between education and employment (Demsetz et al. 2023).

At ACE’s Nondegree Programs Convening in 2025, participants emphasized that strengthening college–employer partnerships is critical to bridging this gap. Employers stand to benefit directly from such collaboration; hiring workers trained through nondegree programs can improve productivity, enhance employee retention, and build a robust talent pipeline that is responsive to rapidly changing industry needs (Van Noy et al. 2019). In turn, clear feedback from employers can help institutions refine offerings to align with evolving workplace standards.

Improved data infrastructure is essential to reinforcing these connections. Evidence from the American Enterprise Institute and the Burning Glass Institute shows that the alignment between credentials and career transitions varies widely by field and program quality (Sigelman et al. 2025). Drawing on Burning Glass’s career history and credential databases, their research highlights that outcomes differ substantially across provider types—not all programs yield the same return. For employers, access to more granular, program-level data would help identify which programs consistently lead to successful career changes, enabling them to prioritize partnerships that deliver proven value.

By building stronger partnerships and improving data on credential effectiveness, employers and colleges can better align training with labor market needs. This alignment benefits all stakeholders—not just employers. Learners gain clearer pathways to good jobs, institutions strengthen the visibility and recognition of their programs, and employers benefit from a workforce equipped with relevant, portable skills.

VALUE FOR SOCIETY

Nondegree programs provide value not only to learners, institutions, and employers but also to society at large. By expanding access, they contribute to a more educated populace, which in turn supports civic engagement, socioeconomic mobility, and a stronger economy. Their relatively low cost and shorter duration make them an effective pathway for historically marginalized populations to gain skills and participate more fully in both the workforce and civic life.

The societal benefits extend beyond labor market outcomes. Nondegree programs can help create civically engaged citizens by equipping individuals with the knowledge and confidence to participate in democratic processes. Civic engagement—though less frequently highlighted than workforce outcomes—contributes to societal cohesion and cultural understanding. Additionally, participants at ACE’s Nondegree Programs Convening stressed that nondegree programs must foster both workforce competitiveness and opportunities for social mobility if they are to demonstrate their full value. By reducing poverty and class stratification, such programs benefit society as a whole by lowering reliance on public assistance programs and increasing tax revenue.

Measuring these broader impacts, however, is challenging. Proxy indicators are often used—voter turnout, volunteerism, or campaign contributions can suggest civic engagement, while education levels correlate with lower crime rates and improved public safety (Van Noy et al. 2019). Economic indicators such as tax contributions or reduced unemployment claims provide further evidence of social benefits. Yet many societal outcomes—like strengthened communities or enhanced cultural understanding—are more difficult to capture in quantitative terms. Personal stories and narrative evidence may therefore be essential complements to statistical data when illustrating the full scope of impact.

At the same time, systematic assessment remains limited. The lack of national standards for identifying and classifying nondegree programs makes it difficult to compare outcomes across studies, and existing data on societal impacts are sparse and fragmented. As with individual and institutional outcomes, more consistent definitions and integrated data systems are needed to track how these programs contribute not only to labor market success but also to civic life, community well-being, and broader social equity.

CONCLUSION

This brief—and the broader four-part series—shows that college nondegree programs are no longer peripheral; they are a central and fast-growing part of postsecondary education, with value assessed across various stakeholders. ACE’s Nondegree Programs Convening gathered a variety of stakeholders from across the sector and elicited keen insights about the priorities and virtues for each stakeholder group outlined in this brief. Learners look for skills, jobs, and mobility; institutions emphasize access, mission, enrollment, and sustainability; employers seek talent with clear and portable competencies; and society benefits from expanded opportunity, civic engagement, and workforce vitality.

Yet the picture remains uneven. Program quality varies widely; credit and noncredit activities are fragmented; and outcome measures are inconsistent. Evidence is strong in some fields, such as health care, but thin in others—particularly for noncredit offerings. These gaps make it difficult to capture, compare, and fully understand the multiple values of nondegree education, and they point to unresolved questions about equity, value, recognition, and sustainability.



OPEN QUESTIONS FOR FURTHER EXPLORATION

Together, the four briefs underscore both the promise and the complexity of the nondegree sector. Nondegree programs can broaden access, meet workforce needs in rapidly changing fields, and offer flexible, affordable options for learners. At the same time, the central challenge is how to balance innovation with accountability, ensuring that credentials—whether degree or nondegree—prepare individuals not only for immediate labor market success but also for long-term adaptability and civic participation. This tension raises important questions for the future, especially around access, value, and recognition.

- **Who has access, and who is left out?** Much of the current discussion—including this brief series—has centered on providers’ perspectives, while the experiences of learners seeking nondegree credentials remain underexplored. Persistent equity gaps in higher education access also raise concerns that the benefits of these nondegree programs may not be broadly shared. The upcoming expansion of Pell Grants, which will cover shorter-term training programs of at least 150 hours starting in 2026, may help reduce financial barriers and create new opportunities for working adults and low-income learners. However, this policy change also raises questions about accountability. Which programs will qualify? How will quality be assured? Will expanded access translate to equitable outcomes across different learner groups?
- **How can the value of nondegree credentials be demonstrated more consistently and transparently?** Learners often face uncertainty about which programs will provide real returns and which may have limited impact. Without consistent standards and outcome data, it is difficult to distinguish high-value offerings from those that fall short. Current systems do not adequately capture participation, completion, or long-term outcomes, leaving the field without clear evidence of whether nondegree programs deliver on their promise of opportunity and mobility. Strengthening the research and data foundation will be critical. Clearer credential taxonomies could distinguish college-issued certificates from industry certifications and licenses, reducing confusion; integrated data systems linking credit and noncredit records with unique student identifiers would allow tracking of learner pathways and transitions; and expanding and standardizing transcript–wage linkages across states would provide more robust earnings data. Together, these efforts would enable more precise evaluation of which programs deliver meaningful and equitable outcomes and long-term mobility, giving institutions, policymakers, and learners stronger guidance.

- **How can recognition and alignment be strengthened?** Nondegree credentials remain fragmented across industries, states, and higher education systems. Their portability is limited, making it difficult for learners to stack or transfer them toward further education or career advancement. What mechanisms can ensure that these programs are consistently recognized, portable, and aligned with broader postsecondary and labor market systems?

These questions highlight both the promise and the uncertainty of nondegree education. Answering them will require not only stronger evidence and clearer definitions but also a commitment to building on the many good efforts already underway across states, systems, and research organizations. With sustained attention and coordination, the field can move toward a more transparent, equitable, and effective postsecondary ecosystem.

IMPLICATIONS FOR FUTURE CLASSIFICATION OF COLLEGES AND UNIVERSITIES

The U.S. postsecondary credentialing system is at a pivotal moment. Traditional degrees continue to carry prestige, yet alternative pathways are reshaping how success is defined. Short-term, flexible, and stackable credentials are beginning to influence institutional missions, enrollment strategies, and student services, raising deeper questions about how higher education institutions should be defined and categorized. Traditional classifications—long centered on degree levels, research activity, and enrollment patterns—may no longer capture the full range of roles institutions play in today’s evolving credentialing ecosystem.

The [2025 Carnegie Classifications](#)—released through ACE’s partnership with the [Carnegie Foundation for the Advancement of Teaching](#)—mark an important step toward modernization. Future iterations will need to determine how best to account for nondegree education—whether by integrating these programs into existing categories, leveraging new tools such as the [Student Access and Earnings Classification](#), or creating a separate framework for nondegree offerings. As steward of the modernized framework, ACE has the opportunity to further strengthen the classifications so they capture not only degree production and research intensity but also institutions’ broader contributions to economic and social mobility, building on the progress already made with the 2025 release.

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