

Returns to Degrees at CUNY Community Colleges

A CCRC study on associate degree program entrants at CUNY community colleges finds substantial and robust earnings returns to associate degree completion across multiple estimation approaches and student subgroups. After accounting for a wide range of factors—including early academic performance and pre-college earnings—the study estimates that completing a terminal associate degree is associated with \$2,426 more per quarter in additional earnings (roughly \$9,700 annually) 10 years after program entry, an increase of about 30% compared to the earnings of entrants who do not complete a degree. Completing a bachelor’s degree is associated with even larger returns compared with noncompleters, about \$16,000 annually. (All earnings data in 2023 dollars.)

The study, which draws on over a decade of administrative and earnings records of first-time CUNY students who enrolled in associate degree programs between fall 2005 and spring 2013, distinguishes between terminal associate degree completion (AA) and pathways involving bachelor’s attainment, whether earned alone (BA only) or in combination with an associate degree (AA + BA). The average age of students in the sample was 23 at college entry. The sample was 39% Hispanic, 31% Black, 16% White, and 13% Asian. Nearly two thirds of students in the sample received Pell in the first semester. About 80% enrolled full-time in the first term.

Key Findings

Effect of Degree Completion on Earnings

As shown in the Figure 1, earnings for completers tend to dip during enrollment relative to noncompleters (who are likely working more) and then grow more rapidly for completers than for noncompleters after exit (median exit quarters are shown as vertical dashed lines). BA completers have notably lower earnings prior to and during enrollment than noncompleters or terminal AA completers. Terminal AA completers’ average earnings exceed noncompleters’ earnings by about four and one-quarter years post-entry. BA completers do not gain an advantage until about five and one-half years post-entry, on average.

Figure 1. Earnings Trajectories by Degree Pathway

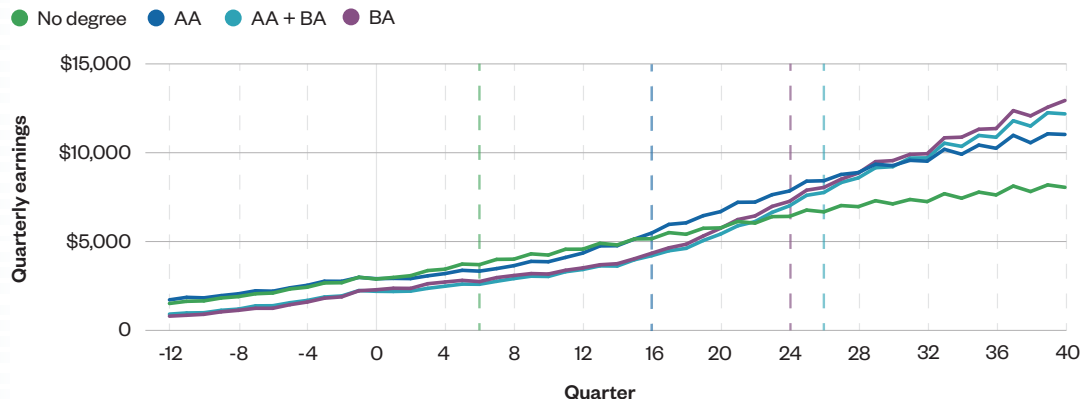


Figure 2. Year 10 Earnings Gains Relative to Noncompleters

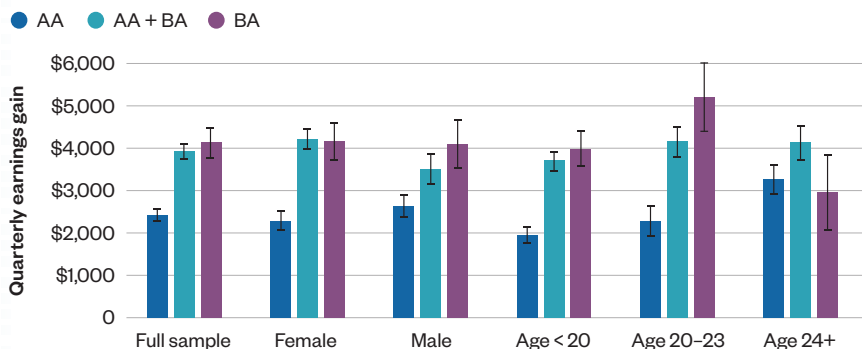
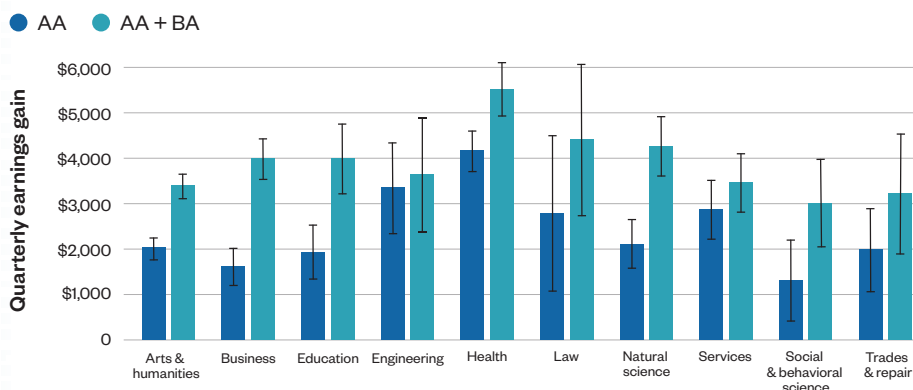


Figure 2 shows that estimated gains are larger for BA completers—whether they earn a BA in addition to an AA or instead of an AA—than for terminal AA completers. (Only 3% of entrants earn a BA without first earning an AA.)

Variation Across Subgroups

Figure 2 above shows that estimated earnings gains are positive across all subgroups but vary in magnitude. Estimated Year 10 gains from a terminal AA are smaller for women than for men (\$2,284 versus \$2,629 per quarter) and substantially smaller for younger entrants than for older entrants (\$1,948 per quarter for entrants under age 20 versus \$3,263 for entrants age 24+). BA pathways show larger gains overall, with particularly large estimates for women and for younger entrants in some BA pathways.

Figure 3. Year 10 Earnings Gains Relative to Noncompleters, by Field



As shown in Figure 3, returns also vary meaningfully across entry fields. Health stands out with particularly high Year 10 earnings gains, while the field of business shows lower-than-average gains for AA-only pathways.

Implications for Practice and Policy

- Consistent with data from other states, this study estimates substantial earnings returns to associate degree completion for community college students in New York City. It is reassuring that while earnings trajectories vary with timing, demographics, and local labor market conditions, degree completion is consistently associated with improved long-run labor market outcomes.
- Understanding subgroup patterns of estimated returns in a community college setting like CUNY, where AA completion, transfer, and BA attainment in various fields of study are all commonplace, is important for local decision-makers. Relevant policy questions are often not simply about “AA or no AA” but about which pathways students ultimately follow.

FURTHER READING

For more on this research, read *The Returns to Degree Completion at CUNY’s Community Colleges*, by Veronica Minaya, Judith Scott-Clayton & Joshua K.R. Thomas