

## EDUCATIONAL PROGRAMS AND INITIAL STUDENT EARNINGS

*By: Jay J. Pfeiffer, Program Director, The Florida Education and Training Placement Information Program*

Florida has pioneered the development of a relatively new approach to gathering data that helps to describe the outcomes of various employment and training programs. The program, Florida Education and Training Placement Information Program (FETPIP), is a model that is being copied in several other states.

FETPIP is a data collection program that collects follow-up data on students or participants from a variety of education and training program settings. FETPIP obtains follow-up data by linking the records of former students, program participants or inmates to administrative information maintained by several state and federal agencies. It also contacts the employers of former students for information on their job titles and work locations.

Data from FETPIP have been used to assist in planning and accounting for both education and vocational programs. Administrators and policy-makers receive information that describes employment, military enlistment

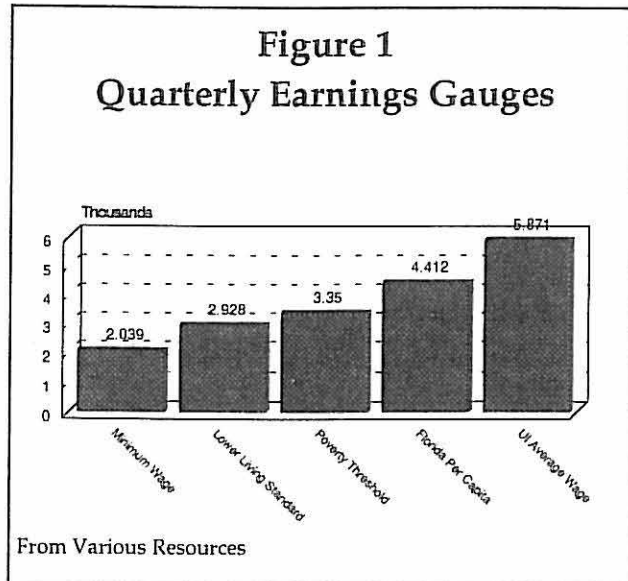
and continuing education experiences of former students. The data also can help students directly by providing them with information that can be used in selecting training program alternatives.

FETPIP develops follow-up information for public high schools, vocational programs, community colleges, four-year universities and various training programs. It has developed information on former prison inmates, migrant and seasonal farm workers, Project Independence clients and Job Training Partnership Act participants.

One of the benefits of having the FETPIP system is that data are collected that can be compared across education levels and among various training programs. One area of comparison is that of earnings.

Earnings data are collected directly from employer quarterly payrolls that are a part of the management system that supports Florida's unemployment insurance program. Earnings measures are expressed as

"quarterly earnings." Figure 1 below displays fulltime quarterly earnings for some commonly used earnings "gauges."



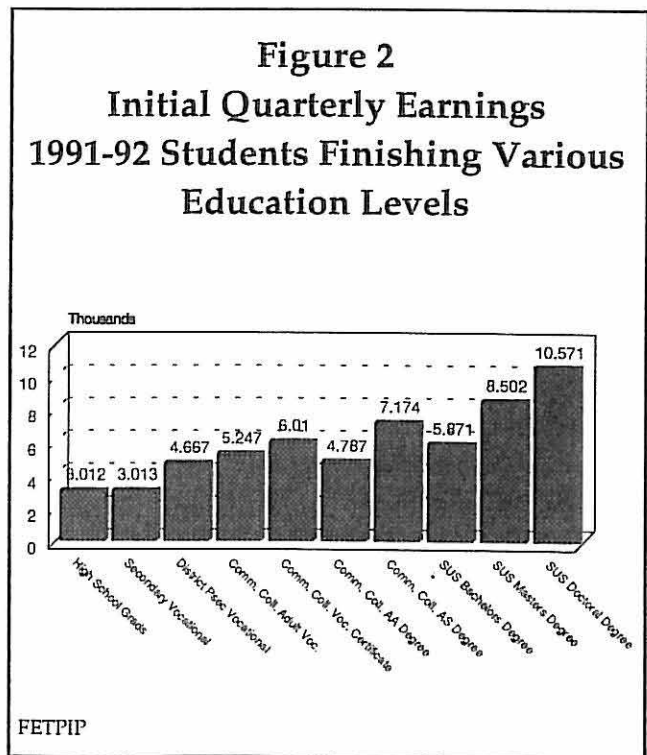
The first bar shows the minimum wage, \$4.25 an hour, at \$2,039 per quarter. The second bar expresses the lower living standard. This standard is used by the U.S. Department of Labor to indicate a wage threshold below which an earner might have to rely on additional assistance to meet basic living needs. The next bar reflects the official poverty rate for a family of four, according to the U.S. Office of Management and Budget. The fourth bar expresses Florida's per capita income as a quarterly earnings rate. The final bar shows Florida's average quarterly earnings based on wage reports from the unemployment insurance program.

Figure 2 (right) reflects earnings for graduates and those who completed various educational levels from the 1991-92 school year. The earnings account for employment that occurred between October and December

1992. This employment may be regarded as initial post-graduation earnings. As one might expect, recent high school graduates earned the least while PhD. recipients earned the most.

One finding of interest is that the initial earnings of Associate of Science degree recipients from community colleges are the third highest earnings level behind Masters and PhD. recipients. Community college postsecondary vocational certificate completers are fourth.

At all levels, former students' earnings exceed the minimum wage level by a substantial margin. The earnings of former students from all postsecondary levels not only exceed the poverty and lower living standard levels, but Florida's per capita earnings level as well. The latter point is especially noteworthy.



Florida's Department of Commerce and various local Chambers of Commerce have periodically established economic development goals targeted to increasing earnings levels available to working Floridians. Often this is expressed as increasing the state's per capita income. If, as these data show, students who graduate or complete programs administered by public school districts, community colleges and universities gain earnings as a result of their education and training that exceed the state's per capita income, then they are contributing to the state's economic development goals. Further, the data indicate that former postsecondary students' earnings in most cases exceed the per capita income by a substantial margin. Therefore, the contribution to these goals is substantial.

This type of analysis above can be developed further through data collected by FETPIP. Outcomes for specific vocational training programs or academic disciplines at particular institutions can be similarly examined. Further, outcomes can be examined according to demographic characteristics of students. Because the data are also occupation and industry classification-specific, the data are combined with labor market information from the state Department of Labor and Employment Security in Florida's Occupational Forecasting Conference. For a full discussion about the conference, see "Preparing Tomorrow's Work Force: A Performance Driven Approach" in Ideas in Action, published by Florida TaxWatch in December 1993.



### About the Author

Jay J. Pfeiffer holds a Bachelor of Science degree from the University of Florida and served with the United States Marine Corps between 1966 and 1969.

Mr. Pfeiffer's career has revolved around policy and evaluation research involving education, employment and training programs. Through the years he has given "expert" congressional testimony regarding labor market information and has consulted with several states and federal agencies in the development of evaluation strategies for employment and training programs.

Beginning in 1984, he began work to help develop an "Occupational Identifier Program," which was designed to construct sound follow-up data for job training and vocational programs. By 1988, this jointly managed project was formally known as "FETPIP."

Recently, Mr. Pfeiffer consulted with the Government of Indonesia through the U.S. Agency for International Development's Higher Education Development project. The purpose was to design and implement an "Education to Labor Market Information System" to support Job Placement Centers being established at nine Indonesian Universities.

In 1989 and again in 1991, FETPIP received a Davis Productivity Award, a program designed to recognize and reward measurable state government productivity improvements administered by Florida TaxWatch and the Florida Council of 100.

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