Is the GED Valuable to Those Who Pass it?

Research consistently shows that high school graduates do better in the labor market than do holders of the General Educational Development (GED) credential. But do high school dropouts who get the GED fare better economically than dropouts who don’t get their GED? According to NCSALL research conducted by Brown University’s John Tyler (see About the Research, p. 3), acquisition of a GED can have a substantial impact on earnings for some school dropouts. Tyler presents three specific research findings:

Finding #1: Economic benefits associated with the GED seem to accrue only to low-skilled high school dropouts, defined by Tyler as those who left school with low skills or who passed the GED but with very low scores.

The GED provides different economic payoffs to high school dropouts depending on their level of academic skills at the time they left school. For low-skilled dropouts, Tyler’s research shows substantial economic gains associated with the GED. These GED holders earn anywhere from 5 to 25 percent more than similar dropouts without a GED. However, the research found no economic benefits for GED holders who left school...
Introducing:

Focus on Policy

Focus on Policy is NCSALL’s newest publication. Its purpose is to synthesize research findings and highlight policy implications of these findings. Focus on Policy forgoes the usual academic conventions to provide its readers with an easy-to-understand summary of research. This first issue explores the value of a GED credential, the need to help GED holders be successful in postsecondary education, and ways to help those who do go on to further education and training succeed at it. We chose the most recent overviews of research related to this subject to support the policy implications presented here.

FAST FACTS: THE GED

- The GED (General Educational Development) consists of a battery of five tests, and takes just under eight hours to complete. Four of the five tests are multiple choice, covering mathematics, social studies, science, and interpretation of literature. The fifth test requires writing an essay. The GED tests measure communication, information processing, problem-solving, and critical thinking skills.

- The American Council of Education (ACE) produces and administers the GED tests, and the ACE’s Commission on Educational Credit and Credentials sets minimum passing scores. Each state education agency is free to set higher passing standards.

- Passing scores for the GED test battery are set at a level above that achieved by one-third of traditional high school graduates who are given the test.

- The GED program was started in 1942 as a means to certify that returning veterans who lacked a high school diploma had sufficient skills to take advantage of the postsecondary education benefits provided in the G.I. Bill. Five years later, the state of New York allowed high school dropouts who were not veterans to seek the GED credential, and other states soon followed.

- In the U.S., a total of more than 15 million people have earned a GED, about one in seven high school credentials earned is now a GED, and 655,514 GEDs were awarded in the U.S. last year.

Source: American Council on Education
Is the GED Valuable

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with higher-level academic skills.

Tyler’s report suggests that the GED leads to better labor market outcomes through three mechanisms:
• Studying to pass the GED results in gains in “human capital” that might be rewarded in the job market.
• Using the GED to gain access to post-secondary education and training leads to better paying jobs.
• Signaling to employers that a GED holder may have higher academic skills, positive attitudes, motivation, and commitment to work than other school dropouts leads to employment.

Finding #2: Economic benefits associated with a GED appear over time rather than immediately upon receipt of the credential.

Research by Tyler and others has found that the financial benefits associated with the GED appear over time. Three recent studies concluded that there is no statistically significant difference in earnings between low-skilled GED holders and uncredentialed dropouts after one year. After five years, however, the earnings difference became statistically significant. One study found that, for women, the predicted annual earnings gain associated with the GED in the first year after obtaining the credential was about $300, but seven years after obtaining a GED, recipients earned $1,300 more per year. Tyler found that, in general, GED holders earn about 15 percent more than non-GED school dropouts five years after obtaining a GED.

Finding #3: Since few GED holders go on to postsecondary education, few benefit from the advantages associated with further education and training, but the gains resulting from postsecondary education and training are as great for GED holders as they are for high school graduates.

The acquisition of a GED leads to a greater probability of obtaining postsecondary education or training, and wages increase for GED holders who pursue further education. However, only 12 percent of male GED holders complete at least one year of college, only three percent obtain an Associate’s Degree, and only 18 percent obtain any on-the-job training.

Policy Implications

These findings on the GED have the potential for contributing to educational policy. For example, the following are implications that could be drawn from the research articles cited above:

- Policymakers should work to increase funding for efforts that discourage high school students from dropping out in order to get their GED. The best choice for most high school students is to stay in school. The national high school dropout rate is currently 10.9 percent, and over the last decade, between 347,000 and 544,000 students left school each year. In the 1999/2000 academic year, 488,000 students dropped out of high school. The dropout rate was 6.9 percent for whites, 13.1 percent for blacks, and 27.8 percent for Hispanics.

The response of the federal government to this problem is the School Dropout Prevention Program, authorized by Title I, Part H of the Elementary and Secondary Education Act as reauthorized by the No Child Left Behind Act of 2001. This program provides grants to state and local educational agencies to support school dropout prevention and reentry activities. According to the U.S.

About the Research

What Do We Know About the Economic Benefits of the GED: A Synthesis of the Evidence from Recent Research, by John Tyler, Brown University and National Bureau of Economic Research, August 2001

In this article, Tyler reviews all of the recent research on the relationship between earnings and the GED, including three of his own studies. One of his studies used a “natural experiment” design, based on the differing GED pass criteria between different states. Tyler’s studies used either unemployment insurance information, Social Security earnings, or self-reported income as the dependent variable. Across the studies, multiple statistical analyses were utilized to determine the factors that influence benefits of the GED. The full text of Tyler’s article is available at http://www.brown.edu/Departments/Education/facpages/j_tyler/PDF/what_do_we_know.pdf
Department of Education, these activities must employ strategies that are evidence-based, widely replicable, and sustainable. Approximately $10 million was awarded in grants in FY 2002. Considering the scope of the problem and the size of the federal education budget (over $30 billion annually), a much more substantial investment in this area should be carefully considered.

- Adult education programs should focus more resources on low-skilled GED students. Policymakers could make additional funding available for GED programs to focus on low-skilled students, who need more resources to pass the GED tests than do high-skilled students. Since many welfare recipients have low academic skills, new welfare legislation might include incentives for participation in intensive GED preparation programs, so that welfare recipients do not cycle in and out of low-skilled, low-paying jobs.

- Policy makers should support a change in Workforce Investment Act (WIA) legislation that identifies GED programs for low-skilled adults as a priority. WIA legislation recognizes receipt of either a secondary school diploma or its recognized equivalent as one of three core indicators of performance that state education agencies must use in their accountability systems. Programs, therefore, have an incentive to serve students who are most likely to pass the GED test, those with high skills. Programs could be allowed to count low-skilled GED graduates as worth more in terms of accountability.

- Policy makers could add a component to WIA that supports GED to postsecondary transition. Over 65 percent of the GED examinees in 1999 indicated that they were obtaining the credential in order to pursue further education. Yet only 30 to 35 percent of GED holders obtain any postsecondary education, and only 5 to 10 percent obtain at least a year of postsecondary education. Many more GED holders accumulate hours in proprietary school training where, according to Tyler, the evidence of financial benefits is not encouraging. GED holders may face barriers to success in education beyond the GED that could be addressed by services that might be situated in adult education programs or postsecondary institutions.

- Policy makers should fund research that identifies ways to prevent dropout, improve the skill-building component of GED programs, and increase the number of GED holders who successfully pursue postsecondary education and training. Such research should evaluate model education programs and identify policies or interventions that remove barriers that make it harder for GED holders to enroll and succeed in postsecondary education.

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**The GED Reduces Recidivism, Saves Money, and Reduces Crime**

*By Steve Steurer, Correctional Education Association*

Multiple studies in the last 10 years have shown that educating prisoners reduces the likelihood of return to prison. Data from these studies consistently show that educated former inmates commit fewer crimes after release.

- A Federal Bureau of Prisons study concluded that “recidivism rates were inversely related to educational program participation while in prison.” The more education completed, the lower the recidivism, even after controlling for age and prior criminal history.

- A recent study of over 3,000 ex-offenders for three years after release found the overall drop in recidivism for educational participants was about 29 percent. According to the Correctional Education Association, a 29 percent drop in re-incarceration saves $2.00 in correction costs for every $1.00 spent on prison education. Additional savings are made in reduced police and court costs.

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**References**


The following policy implications are the thoughts of the author of this article and do not necessarily represent the views of the researcher (John Tyler).

According to a comprehensive research review by Portland State University’s Steve Reder, the adult education system should change its goal to successful transition to postsecondary education. Reder concludes that a high school diploma or GED is no longer sufficient for success in the workforce. The following is a summary of the main points and policy implications from that review.

While a high school diploma or equivalent did at one time provide reasonable access to well-paying jobs and other opportunities, changes in technology, labor markets, and global competition have increased demand for the skills and knowledge traditionally learned in postsecondary education and training. Reder’s paper finds that the earnings gap between the education “haves” and “have-nots” is widening, reflecting the increasing economic returns of higher education.

Reder found significant overlap between students in adult literacy programs and those in remedial education classes at postsecondary institutions. Using data from the 1992 National Adult Literacy Survey (NALS, see About the Research, this page), which places adults into one of five levels of literacy skill, Reder conducted an analysis of postsecondary student literacy proficiencies. He found that 15 to 17 percent of postsecondary students have proficiencies below NALS Level 3. The average NALS score for GED graduates is at the transition point between NALS Levels 2 and 3. In other words, 2.9 million postsecondary students have literacy skills below that of the average GED graduate. Of this group, 30 percent are enrolled in two-year degree programs, 53 percent in four-year degree programs, and 17 percent in advanced degree programs.
The literacy skill level, as measured by NALS, of high school graduates and GED graduates is comparable, but their postsecondary completion rates are not. Sixty-three percent of all beginning postsecondary students either attain a degree or are still enrolled and pursuing one five years after entry. Of those, the overall rate is much higher for students entering with high school diplomas (65 percent) than with a GED (40 percent).

The grades of GED recipients who do enter postsecondary education are roughly comparable to those of students entering with high school diplomas. While GED recipients’ grades are initially lower during the first year of postsecondary education, over time they rise to levels statistically comparable to high school graduates. Reasons that GED holders have dramatically lower rates of persistence and completion in postsecondary programs may be a result of their being older, less likely to be full-time students, and more likely to be full-time workers and single parents.

Reder makes four policy recommendations for ways that the adult education and the postsecondary education systems could increase the number of GED holders who both enter and are successful in further education and training:

- **Advance the goal of adult education from high school equivalency to college readiness.** According to Reder, the mean annual earnings of U.S. adults age 18 and older rise dramatically with education. Individuals without a high school diploma or GED earn $16,124, as compared to $22,895 for those with a high school diploma or GED, $29,877 for those with a two-year degree, $40,478 for those with a four-year degree, and $64,229 for those with an advanced degree. If adult education programs adopt the goal of helping more GED graduates enroll and succeed in college, it could have a tremendous impact on students’ earnings over their lifetime.

- **Policy makers should add support for GED-to-postsecondary transition to WIA legislation.** Too many students who obtain a GED are not sufficiently prepared to succeed in college. These students need “bridge” programs that assist in the transition from GED programs to postsecondary education. However, Reder concludes in his review that “Despite the increasing overlap between the populations of adult education and remedial postsecondary students, surprisingly little attention has been given to developing programmatic and policy bridges between the...

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**Teaching Materials: Helping Students Consider the Implications of Education... Beyond the GED**

Receiving a GED credential is a valued step in an adult’s life for many intangible reasons. At the same time, GED students deserve an opportunity to understand just what the GED may or may not do for them in tangible, economic terms. NCSALL was eager to see research findings on the economic impact of the GED made accessible to adult students and their teachers. **Beyond the GED: Making Conscious Choices about the GED and Your Future** is a set of materials designed to be used in GED classrooms. The materials provide GED students with practice in graph and chart reading, math, analysis of data, and writing, while they examine the labor market, the role of higher education, and the economic impact of the GED. After using these materials, GED students are better prepared to make decisions about their work lives as well as being better prepared to pass the GED. Adult education teachers can use these materials as the basis for professional development for themselves, so that they are better equipped to advise their students on career and educational decisions. **Beyond the GED: Making Conscious Choices about the GED and Your Future** is available online at: [http://ncsall.gse.harvard.edu/teach/beyond_ged.pdf](http://ncsall.gse.harvard.edu/teach/beyond_ged.pdf)
two systems. Five-year state plans developed thus far for implementing WIA have either totally overlooked coordination between adult education and remedial postsecondary education or paid scant lip service to it. (p. 143)"

Since WIA regulations recognize transition into postsecondary education as a positive outcome of adult education programs, new legislation could support coordination between adult education and postsecondary education programs. The goal of this collaboration would be the creation of a seamless path from a GED into postsecondary education and training. Several practical issues need consideration before moving ahead to build such transition programs. These include the roles and responsibilities of each system, sources of funding, approaches to accountability, and appropriate curriculum and instruction.

Adult education and postsecondary education teachers and administrators should become more familiar with each other’s programs. In most cases, the adult education and remedial postsecondary education systems operate independently of each other, even on campuses where both programs are offered. Reder argues that building connections between the educators in these two systems is crucial because they must work in collaboration to help the same pool of students. Practitioners currently working in the two systems generally belong to different professional organizations, have different professional identities, attend separate conferences, and read different journals. Adult education and postsecondary organizations should sponsor joint professional development activities and publications. Such joint activities could forge closer links between these two largely separate worlds of practice that find themselves serving similar populations.

Adult educators and postsecondary educators should work together to build the literacy skills of their students. Adult educators try to base instruction on the daily lives and needs of adult students. They know how to design lessons that integrate basic skills with the work and family responsibilities adults face each day. On the other hand, remedial postsecondary educators generally offer lessons that integrate basic reading and writing skills with the content of academic courses, such as science or history. GED students who may go on to college need to practice the literacy skills they need in daily life, but they also need to improve the reading and writing skills they need to pass college courses. Educators from both adult education and postsecondary education should work together to design transition programs that build skills useful for both academic study and the demands of work, family, and citizenship.

References
1 Fifteen percent of this group have limited English proficiency.
2 Mean earnings for adults age eighteen and over with education, taken from U.S. Census Bureau, Current Population Survey, Educational Attainment in the United States, March 1998 (Update), Table 9, p. 51.
3 Also called “developmental education”.

Resources for Further Information
- A complete copy of Steve Reder’s chapter, “Adult Literacy and Postsecondary Education Students: Overlapping Populations and Learning Trajectories,” and information on ordering Volume 1 of The Annual Review of Adult Learning and Literacy, is available at http://ncsall.gse.harvard.edu/ann_rev/vol1_4.html
- For the full text of John Tyler’s research paper, “What Do We Know About the Economic Benefits of the GED? A Synthesis of the Evidence from Recent Research,” see: http://www.brown.edu/Departments/Education/facpages/j_tyler/PDF/what_do_we_know.pdf
- For more information on the ABE-to-College Transition Project, see NELRC’s new ABE-to-College Transition Website www.collegetransition.org, which provides ABE and ESOL teachers and programs with profiles of transition programs, information on planning and launching a program, counseling resources, and curricular and instruction information.
- For information and resources to help GED graduates prepare for college — including information on how to choose the right program, afford college, receive credit for prior learning, access financial aid, and achieve a college degree while managing the challenges of family and career, see http://www.collegeispossible.org/adults/adults.htm
- For information on recent changes to the GED Tests, see http://www.acenet.edu/calec/ged/test2002-A.cfm
- The Department of Education provides references related to the GED as part of its “Smart Library” at the following site: http://www.adulteducation.smartlibrary.info/NewInterface/topics.cfm?room_id=10019&topic=1213

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A Model for Adult Education-to-Postsecondary Transition Programs

“It’s like stretching before running a marathon. You would never go for a strenuous run without stretching, so why go to college without attending the ABE-to-College transition program?”

– Ron, X-Cel program
Roxbury, MA

Reder’s research strongly advocates helping adult education students and GED graduates prepare to enter and succeed in postsecondary education. Here is a description of a program designed to provide just such a transition for non-traditional adult learners who want to further their education.

Since January 2000, the New England Literacy Resource Center (NELRC), with funding from the Nellie Mae Education Foundation, has assisted adult education program graduates to prepare for, enter, and succeed in postsecondary education. The NELRC project consists of 25 transition programs in the six New England states, currently serving more than 700 students. These programs are housed in community-based organizations, public schools, community colleges, and prisons. The project is aimed at GED graduates and high school graduates who have been out of school for several years. The program is free and consists of instruction in pre-college reading, writing, and math skills as well as computer and Internet skills. Students also receive educational and career counseling, and learn college survival and study skills. Many students, for example, do not know what is meant by the terms syllabus, prerequisite or bursar. Each program collaborates with one or more local postsecondary institutions to provide mentoring and other assistance that helps non-traditional adult learners succeed.

The transition program begins with an intake and orientation component. The intake process includes an interview that allows staff to assess students’ academic skills (using the collaborating college’s placement instrument) and other factors that could affect a student’s ability to succeed in postsecondary education, such as employment status, child care needs, motivation, goals, career interests, academic experiences, learning styles, and previous academic assessments. This helps program staff determine whether students are ready for the transition course or they need more remediation than the program can provide.

Orientation activities include an introduction to the collaborating postsecondary institution and an overview of the content of the program and criteria for completing it, student responsibilities, the attendance policy, and counseling opportunities. During the orientation, college students who are former adult education students give advice to new students.

Transition program classes are held at times and in places that support regular attendance. For example, one transition program takes place at a Head Start site that is easily accessible by public transportation. This program has recruited several parents of Head Start students.

Postsecondary institutions are asked to support the transition program by:
• Facilitating the admissions process for transition students;
• Facilitating and supporting the financial aid process for transition students;
• Conducting tours of the college for transition students;
• Making all student support services, including academic advising, available to transition students;
• Having representatives of the college meet with the instructor and counselor of the transition program on an ongoing basis to discuss the needs of transition students.

One way in which the program aids student persistence is by matching each student with a peer mentor once they enter college. Mentors serve as role models who attend classes on a regular basis, earn good grades, and work well with both instructors and other students. The mentors also involve new students in college life and talk to them about student activities.

In these ways, the New England ABE-to-College Transition Project aims to both improve access to postsecondary education for more students and ensure their persistence through achieving their goals. For more information about the ABE-to-College Transition program, see their website at www.collegetransition.org. This overview of the NELRC project was taken from their report Exemplary Practices for College Transition Programs Facilitated by Adult Basic Education Providers (available at http://www.nelrc.org/abe.htm)