

MEASURING WHAT MATTERS:

A New Framework for Evaluating Non-Degree Credential Quality

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Executive Summary

Current evaluation frameworks rely almost exclusively on short-term wage gains, a reductive lens that undervalues many non-degree credentials. Analyzing data from over 10 million workers via the Burning Glass Institute's Credential Value Index, we find that a broader framework more than doubles the share of credentials recognized as effective.

Key Findings:

- **Undervalued Impact:** Wage-only assessments miss two-thirds of effective credentials. Including measures of mobility and new field entry triples the success rate, from 1:8 to 1:3.
- **Career Launchpads:** 20% of credentials with low initial wage gains place workers into top-quartile occupations for onward career mobility.
- **Growth Trajectory:** While low-return credentials rarely catch up to high-return ones in terms of wage gains, their value doubles over five years while high-return options plateau, closing much of the gap.
- **Needed Rigor:** While a broader lens reveals significant hidden value, the data also confirms that 69% of credentials offer minimal value.

To avoid overlooking effective programs, policy must weight career entry, field transitions, and long-term advancement alongside immediate earnings.

Introduction: The Problem with Relying on Initial Wage Gains Alone

Recent policy initiatives — from Workforce Pell to Texas's House Bill 8 — seek to hold credentials to account for the return on investment they deliver. The premise is urgent. With 1.7 million credentials on offer, the marketplace is opaque and confusing, with far too many choices and far too little information about real-world outcomes. Learners and policymakers are asked to make high-stakes investments with limited, inconsistent information about what a credential actually signals to employers, what skills it confers, how it connects to real jobs, and what outcomes typically follow.

However, data on credential quality is fragmented across providers and states, measured with different definitions, and rarely linked to longitudinal career outcomes. This makes it challenging for workers to compare credentials and make effective choices. And it makes it no less challenging for state and municipal leaders to identify the credentials in which to invest.

Yet credential quality initiatives often fail because the lens they apply to assessing credential value is too simplistic and too myopic, typically focusing exclusively on initial wage gains. No one would reasonably dispute that earnings are important. While wage gains are important, workers choose to pursue credentials for other valid reasons as well. Perhaps they are seeking to shift into an occupation or sector that will provide them greater mobility over time or that offers greater stability. Perhaps they are seeking to acquire valuable skills that enable them to remain current in their existing role. Like workers, states also balance a slew of competing priorities. Effective workforce development — moving workers ahead while addressing pressing societal needs in healthcare, education, logistics, and other critical functions — often requires preparing workers with credentials that, when measured by wage outcomes alone, may not appear impactful.

Current evaluation frameworks therefore discount the many ways credentials help workers reposition themselves within the labor market. As a result, credentials that enable career entry, facilitate lateral mobility, or unlock access to high-growth or socially critical fields are systemically undervalued and may go uninvested as a consequence.

Like any investment, credentials should pay off. But those returns often bear out over time. Previous Burning Glass Institute research conducted with the American Enterprise Institute found that just 1 in 8 credentials deliver immediate wage gains that an earner wouldn't have otherwise accrued. But while some credentials deliver an initial earnings boost, others create pathways into new occupations, expand long-term earning potential, or support advancement only after workers establish themselves in a new field. A policy framework that treats these outcomes as secondary—or invisible—risks mischaracterizing credential quality and misallocating public resources.

In this brief, we analyze some of the ways credentials generate value beyond initial wage gains. Our analysis yields several key insights:

- **The Velocity of Value:** Initial earnings are an imperfect predictor of long-term success. Many credentials that appear "low-value" in Year 1 become high-earning "Launchpads" by Year 5.
- **"Hidden Gem" Opportunities:** A significant portion of the workforce holds credentials that provide high stability and upward mobility despite modest starting salaries.
- **The "Dead-End" Reality:** While a broader lens reveals significant hidden value, the data indicates that 69% of credentials offer minimal market return, failing to drive either wages or mobility.

- **From Snapshots to Trajectories:** Policy must shift from measuring where a student starts to where a credential takes them. By focusing on the trajectory rather than the initial data point, we can better distinguish between temporary struggles and permanent dead ends.

Mapping the Data

To move from theory to a measurable standard, this analysis draws upon the Burning Glass Institute's Credential Value Index, a first-of-its-kind, outcomes-based assessment based on the real-world careers of workers who have earned the most common 23,000 credentials.

The following sections detail how analysis of credential-driven outcomes can move beyond earnings snapshots to reveal a fuller, more holistic range of value. These findings highlight the importance of adopting a longer-term perspective and a broader definition of career success when evaluating credential quality. By distinguishing between credentials that facilitate genuine career mobility and those that do not, this framework provides a more robust evidence base for the investments of learners and policymakers alike.

Methodology

The Burning Glass Institute has built an enriched database spanning the career histories of over 65 million Americans. Through advanced AI-based natural language processing analysis, we extract an array of information from each career history, including education, employment histories, job titles, wages, demographic information, and others. Additionally, through a rigorous process of data collection and cleansing, we have developed a catalog of roughly 20,000 credentials with the greatest representation in the US labor market, spanning 2,056 providers. For each, we identify a range of characteristics, including the topic area of the credential, the top skills imparted by the credential, the number of jobs requesting that credential, and aligned occupations.

By linking these two datasets—career histories and credentials—we can analyze the impact of various credentials on the careers of earners. We can see, for example, which credentials are associated with the greatest wage gains, which ones are linked to promotions for earners, and which ones help earners find jobs aligned to the credential topic.

Of course, the population of credential earners is not necessarily the same as those who do not earn credentials. Therefore, to further isolate the impact of the credentials themselves, we compare workers who get credentials to workers with similar demographic and occupational characteristics who do not report attaining a credential (our counterfactual). The counterfactual matches workers based on the following five traits: sex, race and ethnicity, highest level of educational attainment, years of work experience, and occupation (in the year before receiving credential, as measured by SOC-6 code).

All data presented here represent outcomes compared to the counterfactual.

Evaluating Credentials Holistically

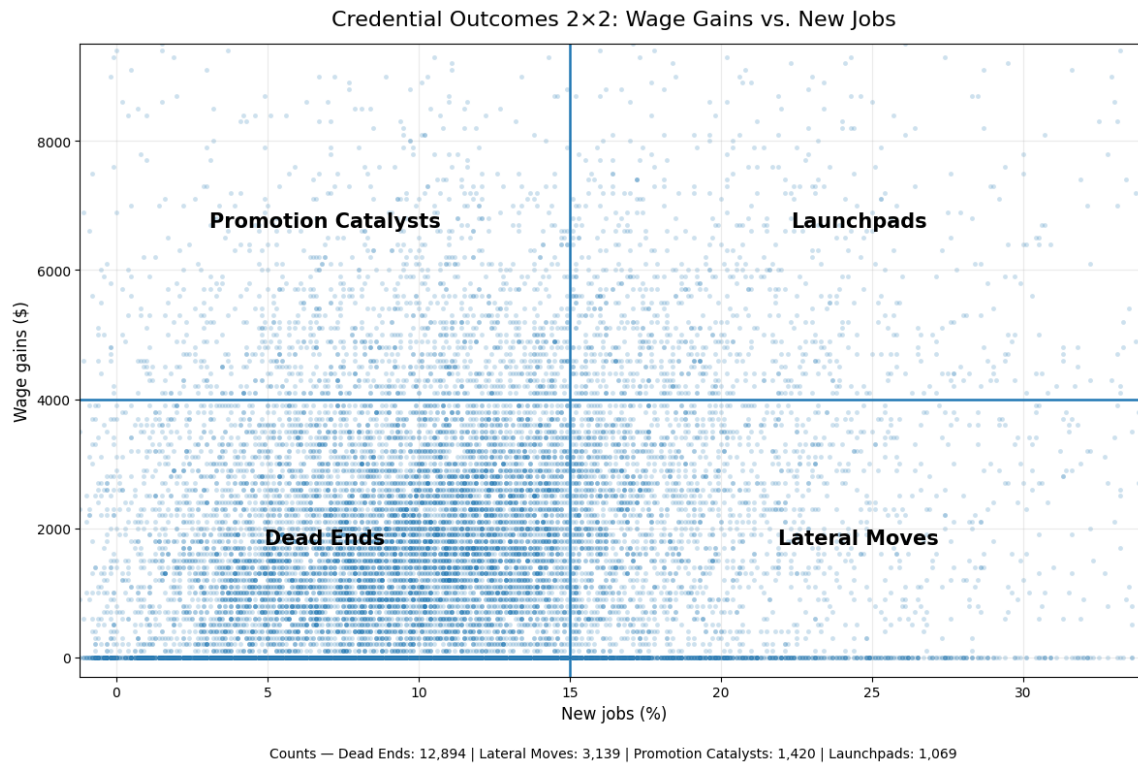
Not all credentials serve the same purpose, nor should they be expected to. By segmenting credentials based on their distinct drivers of value, we can move beyond simplistic and narrow evaluations of quality and toward a deeper understanding of the ways that credentials advance workers. This multifaceted lens allows policymakers to design smarter interventions and evidence-based funding mechanisms that support the full spectrum of valuable credentials.

The Burning Glass Institute's Credential Value Index tracks the real-world career outcomes of earners of the 23,000 most commonly earned non-degree credentials. We focus on three measures:

- **Wage Gains:** The wage gains of credential earners in the year after earning their credential
- **New Jobs:** The share of earners who move into new jobs aligned with their credential
- **Move Up:** The share of earners who move up in their current field

All outcomes are calculated relative to a counterfactual set of peers, on a one-year time horizon. (See Methodology for more details.) Below, we plot credentials across two of these dimensions: Wage Gains and New Jobs.

Figure 1: Wage Gains of Credential Earners v. New, Aligned Job Attainment by Credential Attainment



Source: Burning Glass Institute Credential Value Index

We observe four broad categories of credentials:

- **Launchpads (6%):** These are high-quality credentials that help earners pivot into new in-demand, high paying careers where they experience strong wage gains of \$4,000 or more.
- **Promotion Catalysts (8%):** Sometimes these increases are linked to workers finding new jobs, but credentials in this category earn recipients higher pay while they remain in their existing field. Often, these credentials take the form of more niche industry-specific skills (compared to the introductory credentials common in the third category), making workers more valuable and helping them earn promotions.
- **Lateral Moves (17%):** These credentials are valuable because they help their recipients move into an entirely new field. While these credentials don't meet a basic standard of initial income gain, their value often proves out over time, in many cases because they help workers pivot into fields with high mobility or better personal fit.
- **Dead Ends (69%):** These credentials offer minimal market value. They neither facilitate access to roles with which they are aligned nor drive higher wage gains. While they may deliver alternative benefits to earners (e.g., personal satisfaction and enjoyment), they generally represent a low return on investment for both the individual and any public funds used to support them.

This more holistic assessment shows that roughly 1 in 3 credentials move workers ahead, either through delivering increased wages, driving upward mobility within a current career path, and/or helping workers find a new job. Modern workforce policies centered around wages fail to recognize that lateral moves are essential mechanisms by which credentials create value.

Put differently, the glass is one-third full. While too many credentials leave those who earn them no better off, high value credentials are not a needle in the metaphorical credential haystack. By analyzing how some credentials prove valuable, this analysis seeks to identify replicable design choices.

Career Pivots Often Require a Step Back

Credentials help people move into new careers, allowing them to pivot into high-opportunity fields. In fact, data science programs are among the most common examples of credentials that lead to career change without an immediate salary bump.

Career pivots often require starting over from scratch, with experience accumulated in a prior occupation heavily discounted. For example, a senior marketing analyst may have a decade of experience working with metrics, reporting, and stakeholder communication. Yet when that worker earns a data science credential and transitions into a formal data scientist role, employers often treat them as an entry-level hire, valuing occupation-specific skills and technical depth in Python, SQL, and modeling over prior domain experience. As a result, mid-career professionals can see little to no immediate wage gain when making the switch, despite substantial prior work experience.

In other words, career pivots are often lateral — or even temporary steps back. Nevertheless, new credentials are often necessary for career pivots; they enable a more fluid talent ecosystem, helping workers pivot into high growth sectors and out of low-ceiling fields.

Setting Earners Up for Success

Some credentials that don't deliver returns right away set up workers for success down the road by moving them into high-opportunity occupations. Through analysis of the career histories of millions of American workers, we can segment occupations into ones that present strong ladders upward for workers and those with low ceilings. By linking credentials to their most commonly associated occupations (e.g., the Credential Value Index shows that Certificates in Business and Commercial Lending are most commonly earned by workers who are or who go on to become Loan Officers), we can segment credentials based on their links to high-opportunity roles.

Figure 2: Shares of Credentials by Wage-Gain and Onward-Opportunity Thresholds



Source: Burning Glass Institute Credential Value Index

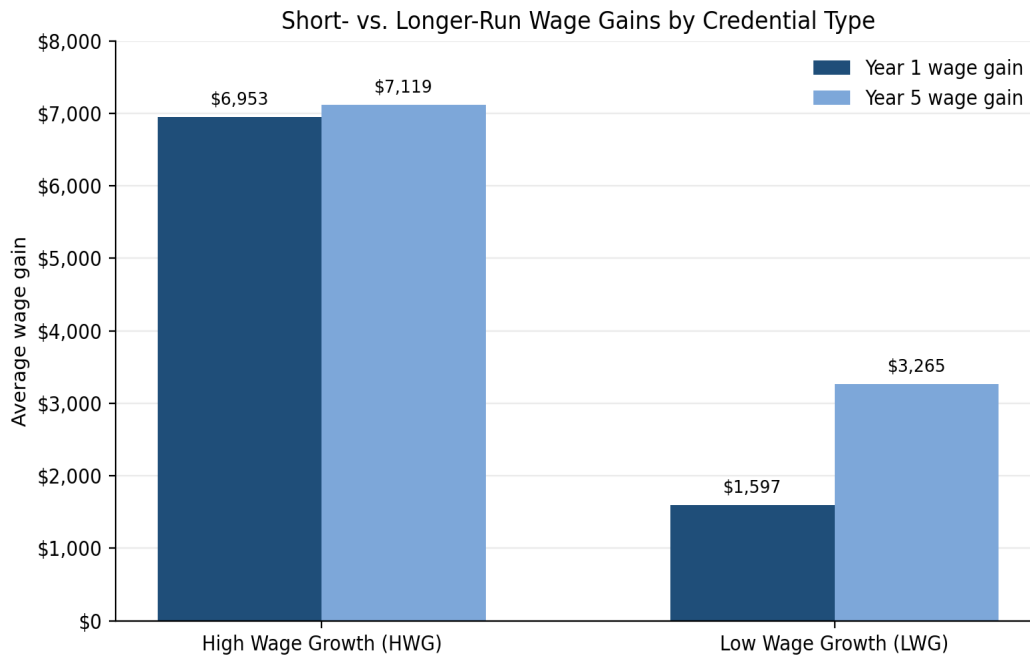
In the above chart, we see that 20.3% of credentials that deliver low initial wage gains are nevertheless linked to moves into high-opportunity fields. These occupations rank in the top 25% for career advancement over a five-year period. As we explore in more detail below, this is partly why these credentials deliver stronger wage gains down the road as workers move up the ranks in their newly attained fields.

Credentials Can Lead to Longer-Term Career Gains

Credentials, and the career pivots associated with near-term career moves, can lead to big payoffs down the road. When we analyze the wages of credential earners over time, we observe that while some credentials pay off immediately, others take several years to pay off. To truly understand credential value, we need to broaden our time horizon and observe workers longitudinally.

This broader lens of analysis reveals that lateral career moves — those involving switching lanes without an immediate earnings boost — often pay off, just not immediately. It may take some earners years to parlay their new credential(s) into a new job that pays more, or has higher advancement, especially in slack labor markets with high levels of worker displacement. Because jobs in a new field often require starting at the entry level, it may take time for earners to establish themselves and begin moving up.

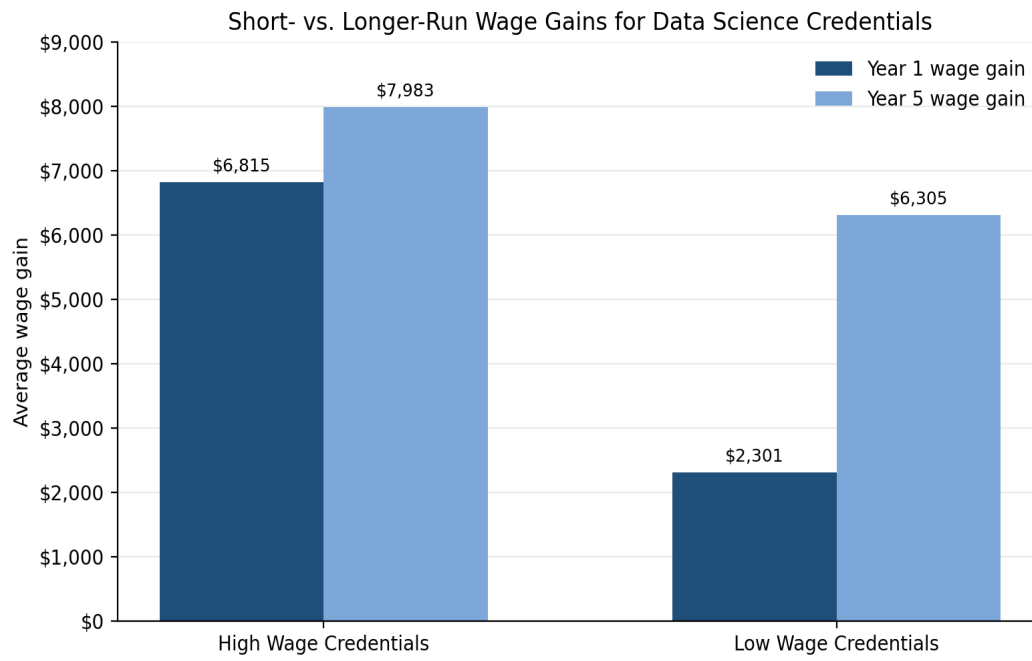
Figure 3: Short- vs. Longer-Run Wage Gains by Credential Type



Source: Burning Glass Institute Credential Value Index

While this dynamic plays out across fields, nowhere is the contrast clearer than among data science credentials. Low-wage-gain credentials are only one-third as effective as high wage gain alternatives, offering only \$2,301 in earnings boost over counterfactual peers vs. \$6,815, when measured based on the earnings boost experienced within the first year of completion. Fast forward five years, and low-wage credentials have largely caught up, with those who earned them now bringing home \$6,305 more than counterfactual peers, almost 80% of the boost experienced by those who earned a credential with high initial returns. Given that some data science bootcamps command tuitions that are upwards of \$15,000, understanding these longer-term dynamics is key to understanding the true ROI.

Figure 4: Short- vs. Longer-Run Wage Gains for Data Science Credentials



Source: Burning Glass Institute Credential Value Index

Case Study: Judicial Law Clerks

In addition to delivering long-term wage benefits and helping earners move into higher-mobility occupations, credentials can serve as high-value entry points into socially critical roles and foundational institutions. This multidimensional value is clearly visible in the Judicial Law Clerk pathway. While a short-term view might classify these credentials as modest performers on immediate pay, the longer-term outcomes tell a different story.

Across credentials most associated with Judicial Law Clerks (including the LexisNexis Professional Research certification and the Advanced Legal Research certification), the average initial wage gain is \$1,504—relatively low in year one. But over time, gains compound: average five-year wage gain rises to \$6,348 (a +\$4,844 increase from the year-one level). At the same time, these credentials show strong rates of progression into new, aligned jobs (36.4%) and the field of Judicial Law Clerks exhibits strong career progression (43.4% are promoted within five years).

In other words, Judicial Law Clerk credentials often function less as immediate wage maximizers and more as launchpads: they open access to high-mobility legal pathways, with payoffs that become clearer over a multi-year horizon.

Implications for Policymakers

In the face of growing potential for AI-based disruption, non-degree credentials will play a vital role in America's education and training ecosystem, offering a mechanism for signaling valuable skills and readiness for new jobs. Having a mechanism for evaluating the return on these investments is essential to protecting the public and ensuring the efficacy of public expenditures. That is especially true when considering that, even by the more multi-dimensional standard we propose here, only one third of credentials deliver value for workers.

However, an effective evaluation system demands assessing outcomes over a longer horizon and considering a wider array of factors. As new Workforce Pell requirements come into effect, these factors will become critical to ensuring both continued funding of high-value credentials, as well as individuals' ability to access high-quality credentials that meet their varied needs. As AI accelerates skills turnover and disrupts entire industries, narrow standards risk disqualifying the very programs that help workers stay resilient. We cannot afford to defund proven pathways to mobility just because their value doesn't show up in a first-year paycheck. The goal should be to implement an evaluation framework that recognizes not only initial wage gains but also long-term economic mobility and broader societal benefit. Relying solely on initial wage gains creates a massive blind spot: it overlooks two-thirds of the programs that actually deliver results for workers and is not an effective proxy for credential quality. The Burning Glass Institute's Credential Value Index dataset shows that a more complete evaluation is feasible — and that a multi-dimensional evidence-based evaluation can be undertaken at scale.

New Workforce Pell requirements include provisions for credentials that prepare workers for high-skill, in-demand roles, but rulemaking is still underway. The most effective legislation will be that which incorporates a holistic measure of credential quality, moving beyond salary to capture the full scope of value. Rather than a simple checklist, this requires a balanced scorecard approach where career entry and advancement are formally weighted as valuable outcomes alongside wage gains. To achieve this, new and amended policies must include robust metrics for:

- Alignment with in-demand jobs and high-value skills;
- Successful career transition and entry into new fields; and
- Internal career advancement and promotion.

By formally recognizing the value provided from credentials that help workers make lateral moves—allowing them to take "one step sideways, two steps forward"—we can create a more dynamic labor market that subsidizes learning and encourages mobility. Such a policy shift will foster an environment where workers can adapt to economic changes and recognize quality credentials for the value they provide beyond wages.

Conclusion

Credentials can play many roles in a career. Some deliver immediate earnings gains; others enable entry into new occupations, unlock access to high-mobility career paths, or provide launchpads into socially critical fields. Still others yield returns only after workers establish themselves and advance in new roles. Current evaluations do not capture this range of impacts, often because they are hard to measure. But new resources like the Credential Value Index demonstrate that they are measurable and that evaluation across measures is scalable to many credentials simultaneously.

Building policy frameworks that reflect this reality is an urgent task, and supporting expanded evaluation metrics and frameworks will bring better perspectives to credential quality. As public funding, accountability systems,

and initiatives such as Workforce Pell look to base funding on outcomes, the metrics we choose will shape the credential ecosystem itself. A narrow focus on short-term wages risks starving the system of credentials that support adaptability, resilience, and long-run growth.

In a rapidly shifting labor market, navigating change requires a flexible and dynamic learning system. Such a system must be underpinned by a broader, more holistic evaluation framework for education—one that recognizes the varied role credentials can play in short and long term earnings growth, career entry, mobility, and advancement—to sustain a labor market capable of continuous renewal.