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PROBLEM

Is there a "sheepskin effect"? Do additional benefits accrue to individuals who pass "certification points" (generally understood to be either high school or college completion) which go above and beyond the regular increments for each year of schooling completed?

It has been demonstrated that education serves as a screen blocking those with low education from, and facilitating the entry of those with high education to, desirable and prestigious jobs. Yet it is unclear whether or not the attainment of a certification point (narrowly defined as the passage of a particular year) in and of itself makes a significant difference in the socio-economic level a person attains. This paper demonstrates whether or not the certification effect exists, and reviews some consequences for social policy.

PERSPECTIVE

The human capital model developed by Schultz (1964), Becker (1964), and Mincer (1975) view education as an actual investment of finite resources, subsuming the educative process under an economic model. However, the human capital model does not distinguish specific years as being more economically significant than another contiguous year.

A parallel, but distinct concern has been the argument that the role of education is to screen individuals. The idea here is that the goal of education is to attain a certificate which then assigns one a "niche" in society. Thus, the idea of screening has both a socio-psychological and an economic rationale.

It is also argued that screening is the expensive result of an imperfect market.

Taubman and Wales (1974) argue that education is both an investment and a screening device.

Ivar Berg, in his book, Education and Jobs: The Great Training Robbery (1970), exhaustively examines the certification uses of education in industry. Berg demonstrates that job skill requirements have changed little between 1940 and 1965, but educational requirements have risen tremendously.

Ironically, despite the importance of these economic and sociological studies, research interpretation of the relationship between education and occupational status (or achievement) is usually restricted to only a narrow segment of the diverse American population. In addition, most studies approach education as a more or less continuous process and pay relatively little attention to specific certification points.

This study incorporates white males and females of all working ages and all occupations (except farming) and its implications are subsequently broader.

It is important to point out that it is not the intention of this study to explain occupational prestige or earnings on the basis of various background variables. The goals of the present study are much more modest; it seeks

to learn whether the certification point serves as a screen, not to job entry, but to higher occupational prestige and earnings.

METHODOLOGY

To test for a certification or sheepskin effect, I seek to see if the functional form of the regression equation is piece wise linear. This is tested by estimating the equation for working white males and females with 9-11 or 13-15 years of schooling separately for three broad work experience categories. Certification occurs if the actual mean is significantly above the predicted mean. The 1970 Public Use Sample files, 15 percent 1:1000 files of the U.S. census provide the data for this study. Every case was drawn in which the individual met the criterion. For this study all white males and females who had 9-16 years of schooling, were between 22 and 65 years of age, and worked full-time (more than 35 hours a week) were selected. The full sample size was 36,304. The sample was broken down by three career groups: early career, those with 5-14; medium career, 15-29 years; and thirty and above years since leaving school.

Dollar earnings and occupational prestige (based on the Duncan scale, 1-1000) were the primary variables used to examine the presence or absence of a certification effect.

A 95% confidence interval was computed based on the data points for the three years before the certification points, the twelfth and sixteenth years. The data for the certification points was then tested to see whether or not it fell outside the confidence interval. The Walter-Lev (1953) test was used to test for significance at the .025 level.

FINDINGS

If career stage is controlled, there is a significant certification effect at the earliest career stage solely job prestige for white women who have graduated from college. At the mid-career stage, college graduation has a significant impact on job prestige for white males (.025 level). At the later career stage, both men and women demonstrate certification effects and at both college and high school graduation levels. For women both earnings and job prestige are significantly related to obtaining high school certification but there is no certification effect for college graduation. For white males job prestige is significantly related to higher earnings.

Clearly the certification effect is more prevalent for the late career group. Because of the cross-sectional nature of this study, it cannot be determined whether these differences can be explained by developmental causes (maturation, lag time before certification effects take hold, and so on) or generational (the certificate meant more for the older generation and its employers, the historical differences in the labor market and so on).

The findings indicate that for late career individuals, there is a strong certifica-

tion effect, and while there is some indication of a certification effect for those in earlier career groups it is much less pronounced.

IMPLICATIONS WITH SPECIAL REFERENCE TO ADULT EDUCATION

The findings reflect at least the partial existence of a certification or "sheepskin" effect. Rather than simply an increased transfer of cognitive material, the certification point also represents a socially symbolic achievement; it is a "rite of passage" denoting the crossing of an important although rather arbitrarily designated point in the education system. If the findings have validity, any theory which tries to explain the social functions of education must account for a "certification effect" ascribed to the completion of specific diploma-conferring years of education.

There is an abiding faith in America in what Ralph Turner (1960) has called "contest mobility", the idea that "elite status should only be given to those who earn it." Because society at large establishes the criteria of elite status, the possession of visible credentials becomes a vital component of success. Of all such credentials, the high school diploma would seem to be elemental and indispensable.

As Turner points out, the "contest" idea defines the accepted mode of upward mobility, and in judging a contest there is always the fear of premature closure. Hence, in the educational sphere, options are provided so that adults who failed to attain credentials the first time around may try again. At the secondary level the most wide-spread of these options are high school credit or equivalency programs for adults. It is believed that many people have been denied life's rewards simply because they have failed to attain a credential -- regardless of their other inherent capabilities.

High school completion programs for adults then comprise a large and still growing field.

More and more adults are being converted to the idea that the mobility "contest" continues well past adolescence and so are earning larger and larger numbers of diplomas. At the same time, a quiet revolution is taking place in the courts which threatens to undermine the whole endeavor. The center of the controversy is a 1970 U.S. Supreme Court decision, Griggs vs Duke Power Company. In this decision the Court held that unless it could be demonstrated that a credential (in this case a high school diploma) or standardized examination was related to job performance it could not be used in personnel decisions related to job entrance or promotion.

The implication of Griggs, if broadly interpreted, could seriously undermine the usability of a high school diploma or even college degrees as an arbiter of job entrance or promotion. The Griggs decision may serve to accelerate the move-

ment toward competency-based certification as the way out of a thorny predicament; how does a credential demonstrate anything more than the attainment of a credential? Only if the relationship of the credential to actual job skills is verified can this dilemma be resolved. The findings of this study, like the Griggs decision may be upsetting to those who accept on faith the inherent meaningfulness of a diploma. If a high school diploma is a poor indicator of skill attainment, it now appears that its possession does little to insure one of a higher income or greater job prestige.