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Making Sense of Quality in the Non-Degree Credential (NDC) Marketplace- Implications for Policymakers and Practitioners

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In the context of rising frustrations with the traditional higher education system, non-degree credentials (NDCs) are increasingly emerging as a potentially attractive alternative. More than 2/3 of adults considering education prefer nondegree, up from 1/2 pre-pandemic (Strada, 2020). Among “great resigners,” 72% enroll in programs that are 6 months or shorter (Cengage, 2022). NDCs also offer policymakers a promising way to invest in the skilled workforce needed to ensure companies grow and thrive and to promote overall economic prosperity. More states now provide funding to support individuals’ pursuit of NDCs, through programs like Get There FL, IN Next Level Jobs, NJ Pay It Forward, LA MJ Foster, VA Fast Forward, and others. Given this rising interest, NDCs have proliferated in recent years, with an estimated number of over 750,000 non-degree credentials available (Credential Engine, 2022).

Unlike credentials from the traditional higher education system, however, NDCs are often referred to as the “Wild West”: With no “sheriff” in town to act as an arbiter of quality, the NDC marketplace has the potential to be a free-for-all. Without an established and known system in the US to ensure quality, too, concerns about expanding efforts to broaden access to NDCs (Knott, 2023). Yet efforts are underway across the country to create and expand systems and standards that can try to prevent NDCs from being false promises leading to dead ends. These quality systems are complex, reflecting the complexity of NDCs and the NDC quality marketplace.

To help guide efforts in NDC policymaking and practice, this brief addresses three fundamental issues that are essential to thinking about the NDC market and efforts to promote quality across it: define NDCs and their variation; define quality for NDCs; and identify mechanisms to promote quality.

What are non-degree credentials, how do they vary, and what does that mean for understanding quality?

As summarized in **Table 1**, NDCs include a wide range of types (including certificates, certifications, licensure, apprenticeships, and badges), offered by different providers (including educational institutions, employers, professional associations, and unions) with different criteria for awarding the credential (including but not limited to completion of educational program and documentation of competency) (Workcred, 2021). All this variation means that systems designed to promote quality must be able to influence each of these different elements.

TABLE 1: VARIATION IN WHO AWARDS AND CRITERIA TO AWARD

Type	Awarding Organization(s)	Criteria for Awarding
For-credit certificates	Educational institution	Completion of a subbaccalaureate credit educational program, usually less than one year
Non-credit certificates	Educational institution or workplace, private training provider	Completion of an educational program
Industry certification	Industry body or governmental agency	Demonstration of skills, typically via examination based on industry or occupational standards
Occupational or professional licensure	Governmental agency	Demonstration of skills in a specific occupation and sometimes also completion of an educational program; requirement to enter some occupations
Apprenticeship	Governmental agency and/or union	Completion of structured educational and workplace program based on industry and occupational standards
Badges and microcredentials	Educational institutions, private training provider	Completion of a short program of study or demonstration of a targeted set of skills

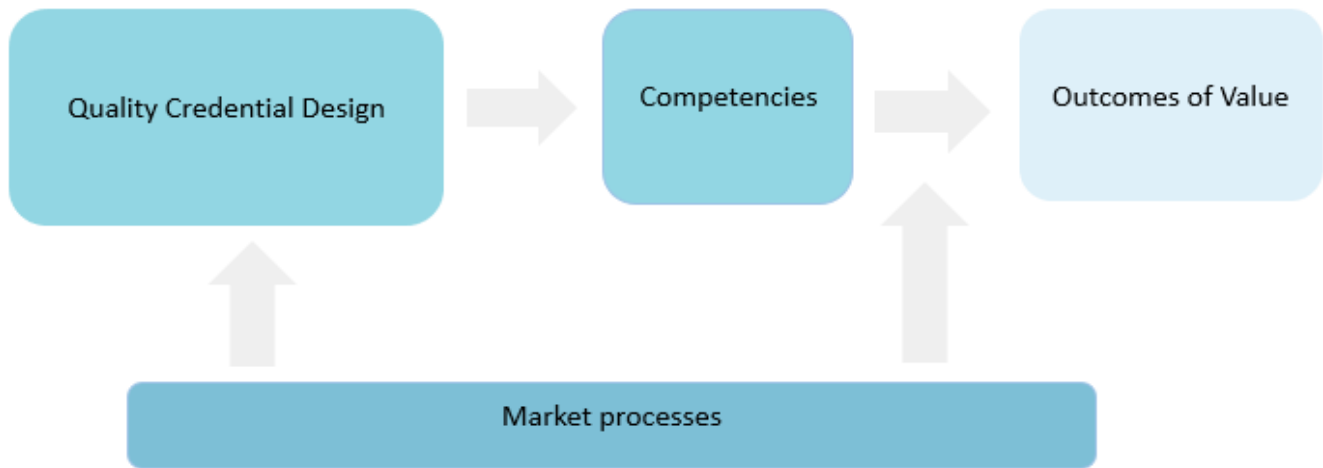
NDCs span the occupational spectrum—some may prepare people for entry to jobs that do not require a college degree or a high school degree, while others could include preparation for occupations that also require advanced degrees. Often, though policy is focused only on NDCs that cover mid-level jobs within the occupational spectrum—although, even within that category, there are a variety of occupations and program qualities (Lamback, Gerwin, and Restuccia, 2018). Some attainable jobs immediately lead to good wages, while others provide a pathway to good jobs with good wages, and yet others are low-wage with little path to better paying jobs. (The challenge of the latter category is, however, a reflection of labor market conditions more so than credential quality.)

Further, the occupational goal associated with the non-degree credential can vary, shaping the range of possible outcomes to be expected. A credential seeker with an occupational goal may hope to either gain a set of broad competencies in an occupational area for entry into an occupation or a specific set of competencies within an occupational area for occupational enhancement (see DOL TEN-2519). Which of these occupational goals is associated with the NDC will relate to how the credential will be designed and which outcomes may be most relevant to examine, e.g. whether outcomes would be expected immediately or over time.

How is NDC quality defined, and how can those definitions be used?

Many definitions of quality exist, often emerging from the specific context in which they are needed and used. In general, quality definitions include a few key conceptual elements: credential design, competencies, outcomes of value, and market processes (Van Noy, McKay, and Michael, 2019). Credential design includes many factors related to the content and execution of the credential itself. Competencies refers to the skills and knowledge that the credential holders have earned. Outcomes of value include education and employment outcomes for individuals, as well as for their employers and society. Market processes are the actions that make a credential with a quality design known and valued, so that it leads to valuable outcomes. See **Figure 1**.

Figure 1: Key Elements of Quality NDCs



Patterns of across categories of quality, summarized in **Table 2**, can provide insight on whether credentials are high-quality, low-quality, or undervalued. High-quality credentials are high-quality on across all elements, and low-quality credentials are high-quality on none of the elements. Undervalued credentials exist where a credential is well-designed and credential holders have competencies but the outcomes are not positive; perhaps the labor market undervalues work in these occupations, such as with low-wage care work, or the credential might not be recognized because it is not well-known or used in hiring, such as with new credentials that many employers do not have experience with yet.

TABLE 2: ELEMENTS OF QUALITY IDENTIFY HIGH-QUALITY, LOW-QUALITY, AND UNDERVALUED NDCS

Quality Status of Credential	Elements of Quality			
	Credential Design	Competencies	Market Processes	Outcomes of Value
High Quality	X	X	X	X
Undervalued	X	X		
Low Quality				

Many definitions and frameworks to measure quality exist, typically oriented in ways that make sense given the purpose of the definition’s creators (e.g. Humphreys and Gaston, 2019, Duke-Benfield, Wilson, Kaleba, and Levantoff, 2019; Education Strategy Group, 2019, Postsecondary Value Commission, 2021). Particular elements of quality can be more or less relevant depending on the stakeholder’s perspective. Employers may be most likely to seek information on competencies to know if a credential signals a prepared worker, whereas individuals may seek a credential that is associated with high earnings. **Table 3** summarizes various stakeholder groups and their common potential goals.

TABLE 3: STAKEHOLDERS AND POTENTIAL GOALS

Stakeholder	Goal	Key Questions to Consider
Individuals	Informed decision making	How do we know as an individual whether it is a good investment of time and money to pursue an NDC?
Employer	Informed decision making	How do we know whether an NDC is a useful indicator of skill and competency to be used in hiring and advancement?
Policy Makers	Accountability	How do we know whether public funds should be used to support the attainment of NDCs?
Credential Providers	Program improvement	How can NDCs be improved?

What is the NDC market? What are systems and mechanisms to promote NDC quality?

The NDC market consists of many actors (Van Noy and Michael, 2022). Credential providers include many types of organizations: educational institutions (four-year, two-year, credit, and noncredit), private training providers (such as boot camps, and online providers), private companies, professional and industry associations, joint training funds, and state occupational licensure departments. Consumers of credentials include both individuals who seek to attain them and employers who use them in hiring processes and decisions.

Within the NDC market, an increasing number of organizations seek to inform and influence quality, among both credential providers and credential earners, via several mechanisms. These mechanism include transparency efforts to provide information on credentials, as well as institutional mechanisms to shape choices. Transparency is a commonly used approach to provide data and information on credentials. For example, the Credential Engine’s seeks to develop an infrastructure for consistent reporting of information on credentials. Other efforts like Eligible Training Provider Lists (ETPLs) provide public information on the quality and outcomes of credential programs within the public workforce system. Information efforts like these are one way to guide consumers’ choices in a crowded and complicated credential market.

Beyond providing information, institutions can help create more structured standards for the NDC market, with mechanisms that include regulation, norm setting, and mimicry. States that fund NDCs can also regulate offerings and set standards, such as requiring that NDCs document industry need as part of their credentials’ contents. Many efforts underway further promote the establishment and adoption of norms for NDCs. For example, when industry bodies validate and promote certain NDCs, this signals value to the field to help guide individuals and policymakers alike.

Many other types of organizations have a role to play in this part of the market—including traditional higher education accreditors, who have begun to recognize and engage with this rapidly growing space, while longstanding accreditors of vocational education such as the Accrediting Commission of Career Schools and Colleges have long sought experience in working with nondegree credential programs. Large organizations can also set trends that others may mimic and adopt. **Figure 2** depicts how organizations seeking to influence or inform quality may direct their influence, and **Table 4** summarizes key organizations that inform or influence quality.

Figure 2: NDC Quality Influence



TABLE 4: ORGANIZATIONS INFORMING AND INFLUENCING QUALITY MECHANISMS

Mechanism	Sample Key Quality Influences
Transparency	<i>Various organizations</i> including: Credential Engine (CE); State Departments of Labor, Eligible Training Provider Lists (ETPL); The Council on Integrity in Result Reporting (CIRR); Education Quality Outcomes Standards Board (EQOS); Badging Standards and Platforms
Regulation	<i>Various departments</i> including: State Departments of Education; State Departments of Labor, WIOA Oversight; Proprietary School Oversight State Agencies; State Occupational Licensing Departments; US Department of Labor, Apprenticeship
Norm setting	<i>QA bodies</i> including: ANSI National Accreditation Board (ANAB), Institute for Credentialing Excellence (ICE), National Commission for Certifying Agencies (NCCA), ISO/IEC 17024, Assessment-Based Certificate Accreditation Programs (ACAP); <i>Higher Education Accreditors</i> ; <i>Other Quality Assurance Entities</i> such as: American Council of Education (ACE), Quality Matters (QM), QA Commons
Mimicry	<i>Individual Employers and Colleges</i>

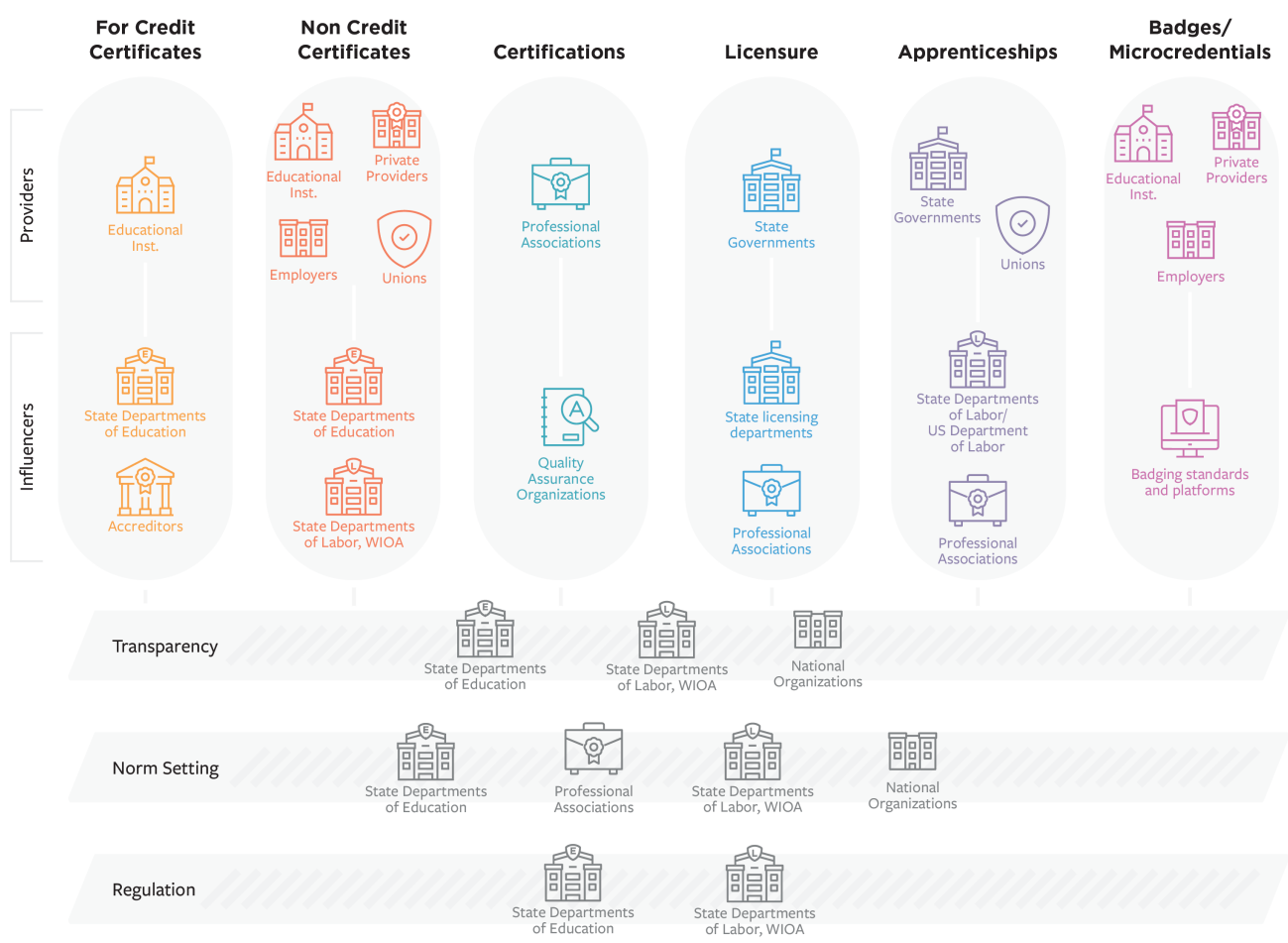
What does a high-quality NDC system look like? How can policy and practice support this system?

Depicted in **Figure 3**, NDC quality is complex and multi-faceted ecosystem, comprised of efforts specific to individual NDCs, as well as cross-cutting efforts that apply to all NDCs. Within each NDC type, there are different emergent and existing systems of quality—each with their own logic—based on the nature of the credential and its providers.

For example, among badging programs, a series of efforts have been underway to create standards for quality and systems for tracking the attainment of badges. Industry certifications tend to be backed by organizations that have developed their own quality standards for certification, such as ANSI National Accreditation Board (ANAB). Licensure is overseen by government departments—but sometimes spread across different state agencies and sometimes located within one agency, depending on the state. Among the types of NDCs, certificates have the greatest variability in terms of potential influences on quality, because of the variety of providers and the least-established set of quality influences, compared to other types’ marketplaces.

On the other hand, some quality efforts have the potential for broad influence over all NDC types. The Credential Engine, for example, aggregates and shares information on all types of credentials, so it has the potential for wide reach. State funding for NDCs also can include a wide range of credentials, so its associated regulation also has the potential for wide reach.

Figure 3: NDC Quality Ecosystem



What are implications for policy and practice?

Given existing mechanisms in the NDC quality market, state policymakers and credential providers can take a few potential steps to build more comprehensive and connected systems that support accurate understanding of the value of NDCs by both individuals and employers.

Considerations for State Policymakers

Coordinate and examine transparency efforts

- Consider what information is available and relevant (e.g., design, outcome, etc.) on which NDCs
- Develop processes to collect and report data across NDCs and providers
- Consider how to present information in ways that both individuals and employers can understand and accurately present

Examine ways norm-setting is used across commonly awarded NDCs

- Determine existing quality procedures within and NDC type
- Determine where procedural gaps and needs exist, and where alignments can happen
- Consider how regulation and norm-setting may influence NDC quality
- Identify current policies that influence different NDCs providers

Determine how regulation can promote quality

- Consider ways to prioritize or restrict options based on funding and regulation
- Be aware of unintended consequences (e.g., not funding undervalued NDCs may mean excluding female-dominated occupations from the system or limit opportunities in rural communities)

Considerations for Credential Providers

- Implement and participate in transparency efforts
- Develop processes to collect and report data
- Implement quality guidelines for credential design, using standards and metrics from other bodies when possible to promote consistency (e.g., accreditors, quality assurance bodies, states, etc.)
- Carefully select what offerings to make available based on quality standards and consider restricting offerings based on outcomes over time

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