

Income Trends for ACT NCRC Earners

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Performing well on WorkKeys and earning higher National Career Readiness Certificate (NCRC) levels can help people secure higher incomes in the short- and long-term. Workers who earned higher NCRC levels in 2011 tended to earn higher incomes and increase their incomes more in the five years after testing.

Introduction

The ACT® National Career Readiness Certificate® (NCRC) is a portable credential that certifies foundational skills needed for workplace success. WorkKeys® test takers can earn an NCRC at one of four levels: Bronze, Silver, Gold, or Platinum. In 2017, ACT published a study showing that 2010 WorkKeys examinees who earned higher NCRC levels typically had higher incomes and increased their incomes over time at a faster rate.¹ ACT recently conducted a study of 2011 WorkKeys examinees to replicate the prior study and to investigate income trend differences between high school and adult test takers. For this study, ACT delivered a representative sample of 50,000 WorkKeys examinees to Equifax—one of the nation’s largest consumer credit reporting agencies—and Equifax matched the WorkKeys testers to income records from 2011 through 2016.²

WorkKeys 2011 Examinee Data

The representative sample of WorkKeys examinees was primarily from the Midwestern (45%) and Southern (45%) regions of the US. The sample was 46% female, and high school testers made up 47% of the sample. In terms of educational attainment, 52% of the sample had less than a high school diploma, 33% had a high school diploma or equivalent, and 15% had some postsecondary education.

Income Trends

For high school testers, median incomes were similar for all NCRC levels between 2011 and 2013, but they diverged from 2014 to 2016, with incomes increasing faster for those with higher NCRC levels (Figure 1). By 2016, the median income for Gold or Platinum NCRC earners was \$32,224, compared to \$26,703 for Silver, \$23,870 for Bronze, and \$22,562 for non-qualifiers. This result likely reflects a combination of factors, including the value of the NCRC for getting a higher paying job, as well as individuals with higher NCRC levels seeking jobs in higher paying industries and seeking postsecondary training to prepare for higher paying jobs.

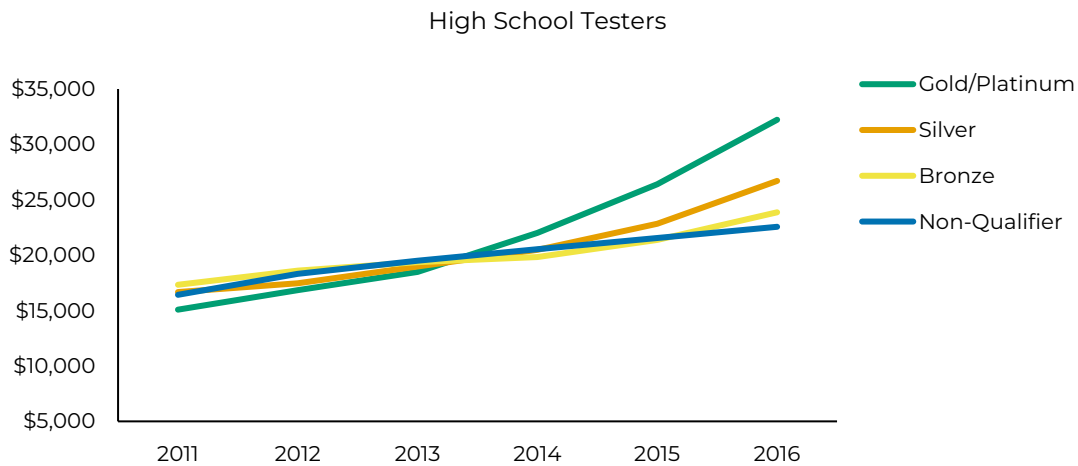


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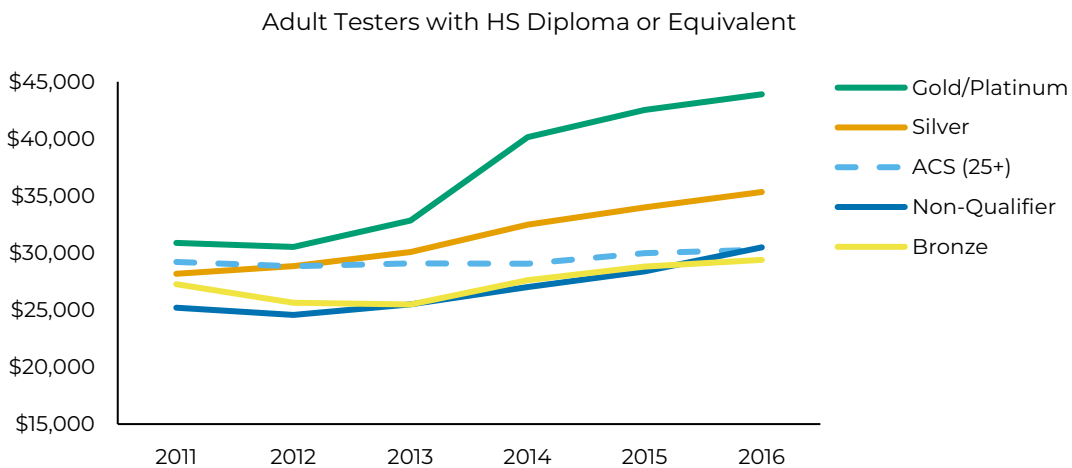
Figure 1. Median income by NCRC level for high school testers.



The income trends for adult testers with a high school diploma revealed a substantial jump in median income for those who earned a Gold or Platinum NCRC and smaller, incremental increases for those who earned a Silver NCRC (Figure 2). To some extent, the increases could reflect post-recession recovery, but this does not seem to be the case given that the national income trend based on American Community Survey (ACS) data³ was nearly flat during the study period. Another possibility is that those

who earned Gold/Platinum NCRCs tended to be younger examinees with a greater likelihood of receiving postsecondary training between 2011 and 2013. However, that notion was not supported by the data since the percentage of 19–23 year olds among the Gold/Platinum NCRC earners with a high school diploma was similar to the percentages for other NCRC levels (25% versus 23% for Silver, 21% for Bronze, and 24% for non-qualifiers).

Figure 2. Median income by NCRC level for adult testers with a high school diploma or equivalent compared to the corresponding ACS median.



For adult testers with some postsecondary education, median incomes for Silver and Gold or Platinum NCRC earners both increased over time, with an approximate \$6,000 separation between them (Figure 3). This result could reflect the value of earning a higher NCRC level, but it also reflects the fact that those with higher NCRC levels tend to have higher educational attainment. Note that median incomes for WorkKeys examinees were below

the national median—likely because the national median included numerous occupations requiring a bachelor’s degree or higher—but the upward trend was much stronger for NCRC earners. Results for non-qualifiers and Bronze NCRC earners were unreliable due to small sample sizes in each year, so they were not shown in Figure 3. Likewise, results for adults with less than a high school diploma were not reported.

Figure 3. Median income by NCRC level for adult testers with some postsecondary education compared to the corresponding ACS median.

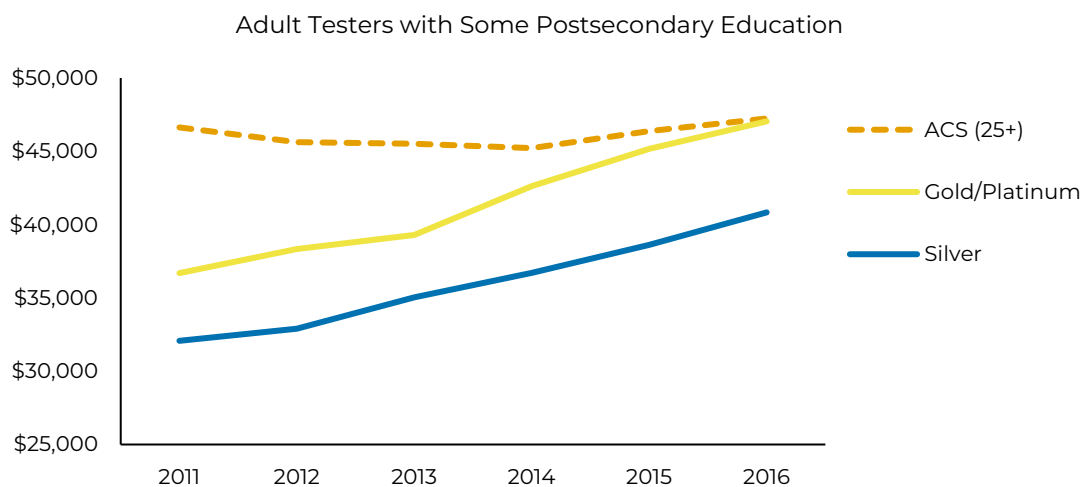
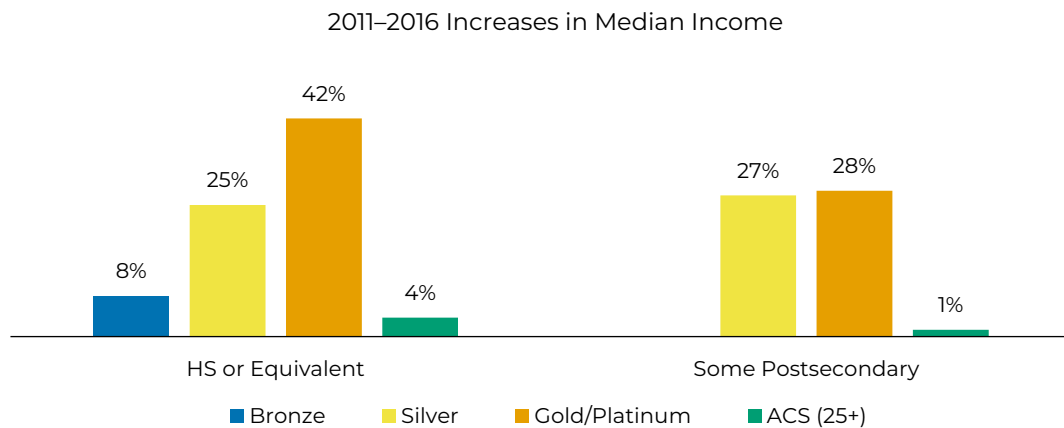


Figure 4 provides a different perspective on income growth for adult testers. As a percentage of 2011 income, growth in median incomes for NCRC earners was consistently higher than the national increases estimated from ACS data. The relationship between NCRC level and percentage income growth was particularly strong for those with a high school diploma in 2011. Specifically, the percentage

increases for Bronze, Silver, and Gold or Platinum NCRCs were 8%, 25%, and 42%, respectively. For those with some postsecondary education, income growth was approximately 28% for both Silver and Gold or Platinum NCRC earners. Figure 4. 2011–2016 increases in median income by educational attainment and NCRC level compared to the corresponding ACS values.

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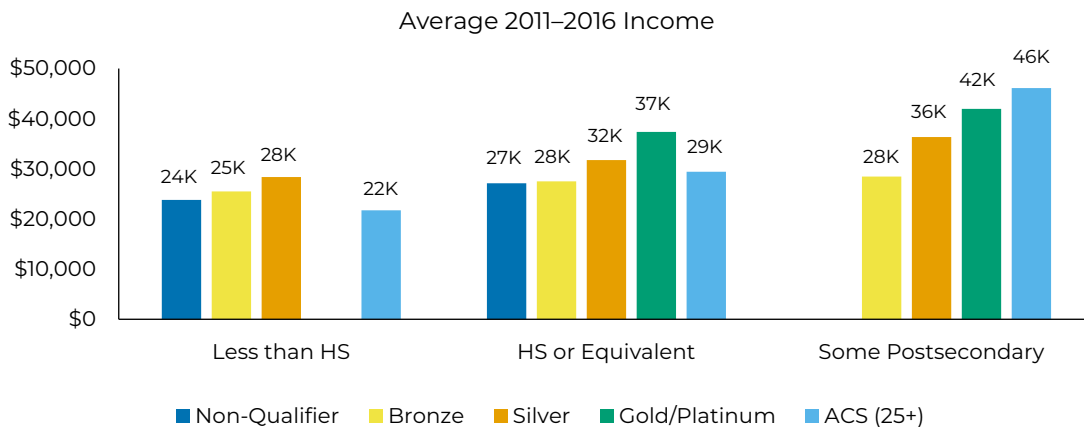


Average Income

Figure 5 shows average income between 2011 and 2016 for adult WorkKeys examinees by NCRC level and educational attainment. The pattern of results clearly illustrates a positive association between NCRC level and income. That is, within a given level of educational attainment, higher NCRC levels were related to higher average incomes. For adults with less than a high school diploma in 2011, there were relatively small differences in average income between adjacent NCRC levels. For adults with a high school diploma or equivalent, earning a Bronze NCRC was not associated with higher average income compared to non-qualifiers,

but those earning higher NCRC levels fared better, especially those with Gold or Platinum NCRCs. For adults with some postsecondary education, there was a strong association between NCRC level and income. The difference between Bronze and Silver was nearly \$8,000, and the difference between Silver and Gold or Platinum was more than \$5,500. For some groups of NCRC earners, average incomes were greater than the ACS averages, which suggests that earning an NCRC can help people secure higher paying jobs. However, such differences may reflect typical incomes in industries common in the sample.

Figure 5. Average 2011–2016 income by NCRC level and educational attainment.



Conclusions

Workers who earned higher NCRC levels in 2011 tended to earn higher incomes and increase their incomes more in the five years after testing. Specifically, the groups with Silver, Gold, or Platinum NCRCs increased their median incomes within two years of taking WorkKeys, and this was true for high school and adult examinees. Moreover, income increases for NCRC earners outpaced national trends by a wide margin. In all, these findings are consistent with the claim that performing well on WorkKeys and earning higher NCRCs levels can help people secure higher incomes in the short- and long-term.

Notes

1. ACT. (2017). *Employment outcomes for ACT NCRC earners*. Iowa City, IA: ACT. Retrieved from <https://www.act.org/content/dam/act/unsecured/documents/NCRC-Outcomes.pdf>
2. Equifax's Work Number system collects week-by-week salary information, length of employment, job titles, and industry category. The Work Number is used by over 50,000 organizations, including government agencies (to verify employment and wages to determine eligibility for government assistance) and employers (to verify work history for a job candidate).
3. Data from the US Census Bureau's Factfinder (<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>) were weighted to reflect the distribution of regions and educational attainment in the study sample.

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