

**Economic and Noneconomic Outcomes for GED® Credential Recipients**  
**Wei Song, Yung-chen Hsu**  
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**Abstract and Executive Summary**

Abstract

The General Educational Development (GED) Tests are widely used to certify a high school level of academic knowledge and skills. The popularity and profound influence of the GED Tests have elicited numerous studies on the outcomes of obtaining a GED credential. Most studies on labor market outcomes for GED credential recipients have targeted specific groups for comparisons across age, gender, or geographic areas. Depending on the samples used and the research methodologies applied, these studies have yielded mixed results. Furthermore, scholars have noticed a scarcity of research on the noneconomic outcomes of GED credential recipients, such as their social and political participation, health, and parenting skills.

This study provides evidence, through a recently released nationally representative sample of adults, the 2003 National Assessment of Adult Literacy (NAAL), on the economic outcomes as well as the noneconomic outcomes for GED credential recipients. Among economic outcomes, this study examines labor force participation, work history, weekly wage, and personal income. Among noneconomic outcomes, this study looks into political and social participation, family literacy, and health.

Executive Summary

General Educational Development (GED) testing is widely regarded as a major “second chance” mechanism for adults who did not finish high school for various reasons. The wide popularity and profound influence of the GED Tests have elicited numerous studies on the outcomes of obtaining a GED credential. Researchers are most interested in the labor market outcomes and postsecondary success of the GED credential recipients, particularly when compared with traditional high school graduates. Most studies on labor market outcomes for GED credential recipients have targeted specific groups for comparisons across age, gender, or geographic areas. Depending on the sample used and the research methodologies applied, the studies have yielded mixed results. Studies on postsecondary education experiences of GED credential recipients have proven difficult to conduct because of a lack of adequate sample sizes and high-quality data. Furthermore, researchers have noticed a scarcity of research on the noneconomic outcomes of GED credential recipients, such as their social and political participation, health, and parenting skills.

This study provides evidence through a recently released nationally representative sample of adults, the 2003 National Assessment of Adult Literacy (NAAL), on the economic outcomes as well as the noneconomic outcomes for GED credential recipients. The NAAL data set includes a nationally representative sample of 19,258 adults age 16 and older. To evaluate the economic outcomes for the adults, the authors excluded prison inmates and those adults who were still in school. To evaluate the noneconomic outcomes, only prison inmates were excluded.

Economic outcomes for adults from the NAAL data include:

1. Among the adults who did not pursue a postsecondary education, almost half of the adults holding a high school diploma or a GED credential are employed full time.

Furthermore, GED credential recipients are more likely to hold a paying job within in the last three years than adults with less than a high school education.

2. GED credential recipients substantially earn more in both weekly wage and personal income than adults with less than a high school education.
3. GED credential recipients are likely to make \$115 more weekly than the adults without a high school education, keeping other variables constant. There is no statistically significant difference in terms of weekly wages earned between an individual holding a traditional high school diploma and one with a GED credential.
4. GED credential recipients and traditional high school graduates have comparable weekly wages; however, GED recipients are lagging behind in personal income by a considerable amount. With other variables controlled, GED credential recipients have \$3500 more in annual personal income than adults with less than a high school education, and \$1600 less than adults with traditional high school diplomas.
5. With other variables controlled, for those who eventually pursue postsecondary education, holding a GED credential has no statistically significant impact on wage earning versus holding a traditional high school diploma. However, adults holding a traditional high school diploma may have about \$3,060 more annually in personal incomes than those who hold a GED credential.

Additionally, this study conveys two other important messages about the economic outcomes for GED credential recipients: (1) there is a sizable income disadvantage for adults who postpone completing their high school education after the age of 20; and (2) any postsecondary education will bring significant increases in incomes, as shown by the effect size of having a postsecondary education versus that of holding a GED credential or a high school diploma. Therefore, the adult education community should encourage adult learners to complete a high school level education as early as possible and assist adult learners to transition to post-secondary training.

Education not only has a direct impact on economic payoffs, but also affects many other aspects of personal life and society as a whole. Other than economic outcomes for GED credential recipients, the education community and general public are also interested in how well GED credential recipients function in the civil society, for example in their political participation, family literacy, and health. The authors of this study explore the differences between GED credential recipients and adults with less than a high school education or adults with a traditional high school diploma in these three aspects. More precisely, the authors found major differences between adults with GED credentials and the other two adult groups:

1. GED credential recipients show a higher level of political and social participation than adults with less than a high school education, but generally lag behind adults with a high school diploma.
2. GED credential recipients are more involved in family literacy activities than adults with less than a high school education and live in a family literacy environment comparable with high school graduates.
3. GED credential recipients reported being in "excellent or very good" health more than adults with less than a high school education but less than adults with a high school diploma.
4. GED credential recipients are as likely to have health insurance as adults with less than a high school education but lag behind traditional high school graduates, particularly in having employer-provided insurance.
5. GED credential recipients obtain information on public events as well as health issues more often than the adults with less than a high school education, and as often as adults with high school diplomas through every source surveyed.

Education is widely recognized as a vehicle for social upward mobility. Earning a GED credential, a “second chance” to certify high school education and a stepping stone to better employment and higher education, has been used by many adult education programs as well as workforce investment programs as a major measurement of program success. However, it should be emphasized that the GED Tests are designed to measure high school level knowledge and skills; they do not measure noncognitive skills and should not be used to predict future economic or education success. Economic or higher education success depends on many other factors, including noncognitive skills. This study adds further evidence to the growing literature on GED credential holders of the outcomes they may genuinely expect.