



Center for Indian Country Development

FEDERAL RESERVE BANK *of* MINNEAPOLIS

Evidence about American Indian and Alaska Native Student Experiences after College Graduation

Tribal Community Perspectives on Higher Education Conference

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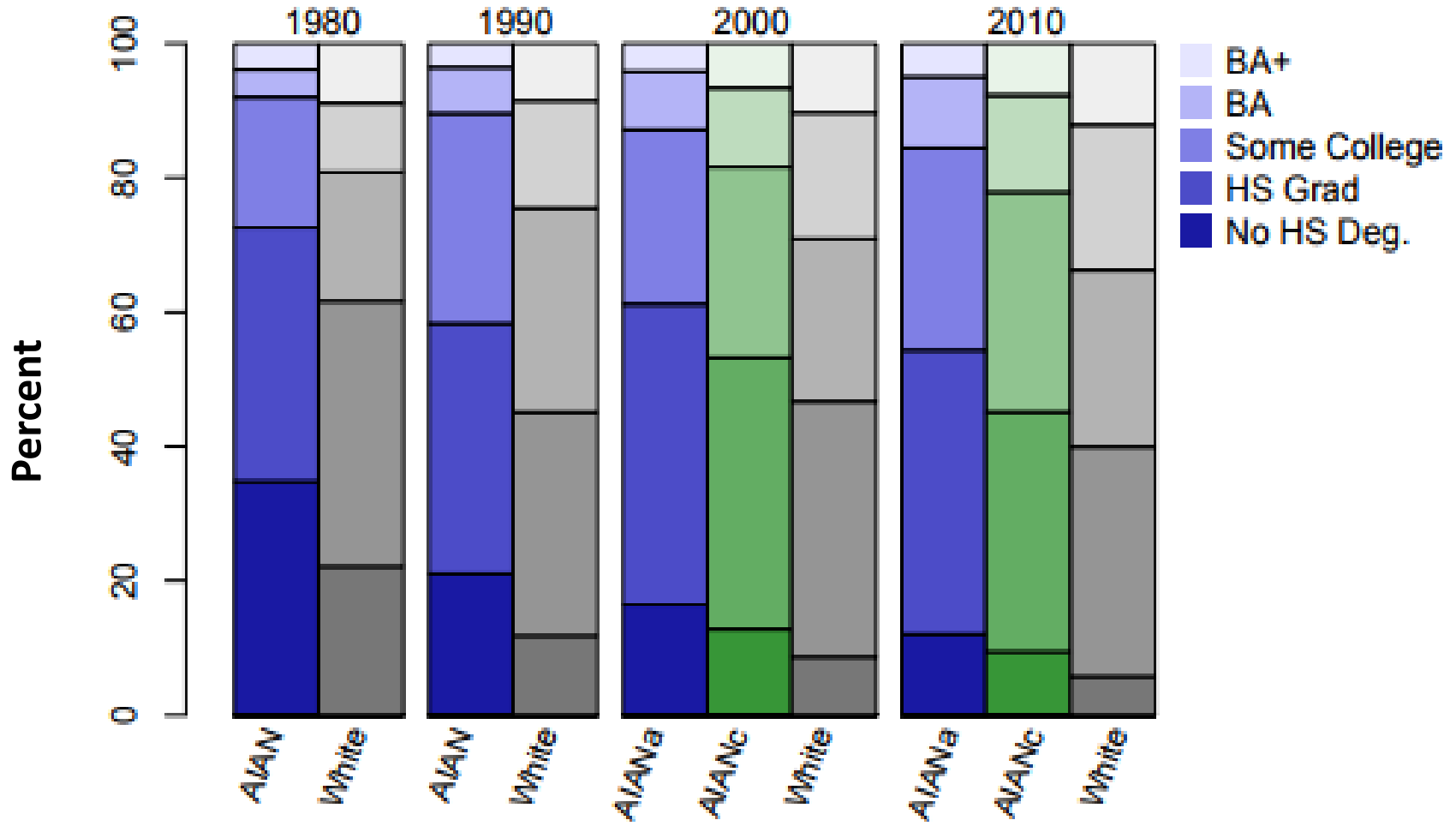
Evidence Mainly from Three Papers

- WLT: “**Dissimilarity on the Career Path: The Occupational Structure of the American Indian/Alaska Native Workforce,**” by Jacob Wise, Carolyn Liebler, and Richard M. Todd. Center for Indian Country Development Working Paper No. 2017-01 (Feb. 2017), available at www.minneapolisfed.org/indiancountry/research-and-articles/cicd-working-paper-series.
- Peterson-West: “**Returns to Education for American Indian and Alaskan Native Students,**” by Amy Peterson and Kristine West. Forthcoming Center for Indian Country Development Working Paper.
- Liebert: “**A Good Job After College,**” by Alessia Liebert. Minnesota Employment Review (July 2016), available at <https://mn.gov/deed/newscenter/publications/review/july-2016/good-job-after-college.jsp>.

Key Points

- Degree completion by AIAN adults has risen in recent decades but remains too low
- Low completion contributes to gaps in employment, income, and occupations
- Average returns to college completion are high for all populations, including AIAN graduates
- But returns for AIAN graduates appear to be lower than for non-Hispanic white graduates
- We need to understand and address the gaps in completion and post-completion outcomes

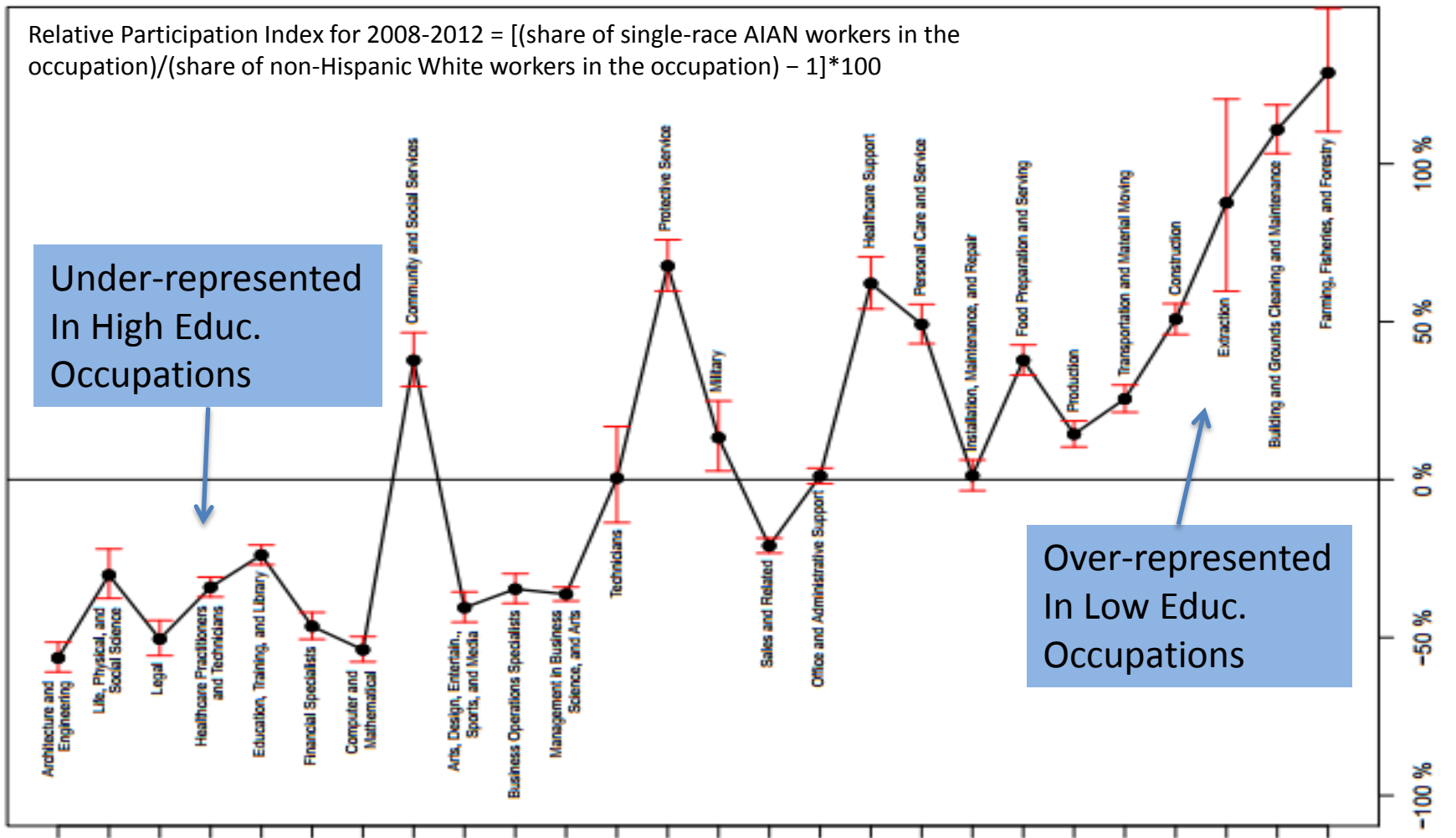
AIAN Degree Completion Is Up but Still Lags



Source: Jacob Wise, Carolyn Liebler, and Richard M. Todd, "Dissimilarity on the Career Path: The Occupational Structure of the American Indian/Alaska Native Workforce." Center for Indian Country Development Working Paper No. 2017-01 (Feb. 2017), available at www.minneapolisfed.org/indiancountry/research-and-articles/cicd-working-paper-series

AIAN Workers Concentrate in Low-Skill Occupations

Relative Participation Index for 2008-2012 = [(share of single-race AIAN workers in the occupation)/(share of non-Hispanic White workers in the occupation) - 1]*100



Source: Jacob Wise, Carolyn Liebler, and Richard M. Todd, "Dissimilarity on the Career Path: The Occupational Structure of the American Indian/Alaska Native Workforce." Center for Indian Country Development Working Paper No. 2017-01 (Feb. 2017), available at www.minneapolisfed.org/indiancountry/research-and-articles/cicd-working-paper-series

AIAN Returns to a College Degree: Earnings

- 49% is good, but 60% is better: “a white worker with a BA earns, on average 60.5% more than a white worker with no college....An AIAN worker with a BA earns 49.3% more than an AIAN worker with no college....Simply put, the returns to a BA appear to be [high* but] lower for AIAN workers than they are for white workers. We find a similar pattern for other degree levels.”
- Occupation matters but is not the whole story: “controlling for occupation explains some but not all of the differential returns to a BA degree.”
- “These patterns do not seem to be improving over time and evidence suggests the problem is more severe for males and in urban areas.”
- “Our results do not confirm, but are nonetheless consistent with, the possibility of labor market discrimination, since disparities persist after a host of controls for observable demographics are included....possible explanations include unobservable differences such as quality of K-12 schooling and/or labor market networking/mentorship.”

Source: “Returns to Education for American Indian and Alaskan Native Students,” Amy Peterson and Kristine West; forthcoming Center for Indian Country Development Working Paper

* Bracketed text added here.

AIAN Returns to a College Degree: Labor Force Participation (LFP) and Employment

- “In sum, when we use employment and LFP to assess the returns to post-secondary education, we find that education narrows but does not eliminate employment gaps between AIAN Americans and white Americans.”
- “in some cases education does eliminate gaps in LFP.”
- “We note, however, that...further research is needed before strong causal claims can be made.”

Source: “Returns to Education for American Indian and Alaskan Native Students,” Amy Peterson and Kristine West; forthcoming Center for Indian Country Development Working Paper

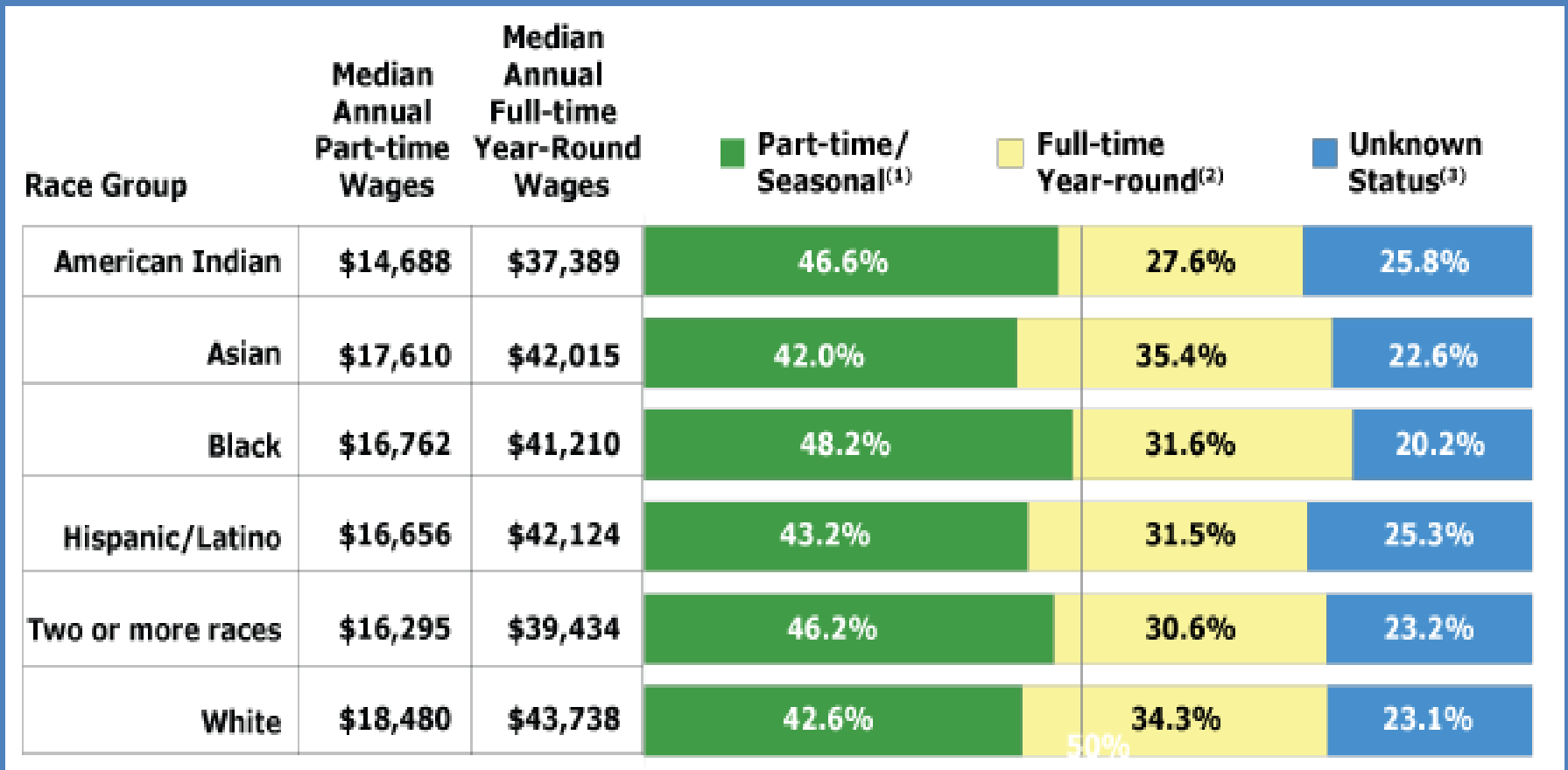
Possible Policy Implications

- “The fact that AIAN students experience gains in earnings but that those gains in earnings are smaller than white students suggests that AIAN Americans will have a harder time paying off college debt....Given this, policies that aim to increase AIAN college-going and completion should also favor grant aid over loans. A related policy would be to increase loan-forgiveness for AIAN students. Qualitative evidence suggests that AIAN students are disproportionately motivated to complete advanced degrees because they want to help their communities rather than for purely individual gain (Brayboy et al 2015). A loan-forgiveness program could be linked to working in a job that directly gives back to the community.”

Source: “Returns to Education for American Indian and Alaskan Native Students,” Amy Peterson and Kristine West; forthcoming Center for Indian Country Development Working Paper

Wages and Full Employment Lag for AI Grads in MN

(Employment Status and Wages in 2nd Year after Graduation, by Race for Minnesota College Completers of All Award Levels, Classes of 2011-2013)



Alessia Liebert, 2016. "A Good Job After College," *Minnesota Employment Review* (July), at mn.gov/deed/newscenter/publications/review/july-2016/good-job-after-college.jsp

4-Year Grads Who Finish before 30 Do Best

(Results by Race, Degree, and Age for MN)

Age at Graduation	Education Level	Race Group	Share of Graduates Employed Full-Time Year-Round over the Total Number of Graduates*	Median Annual Full-Time Wages	Earnings Ratio to Whites
20 to 30	Below Bachelor's	American Indian	20.8%	\$29,764	83.7%
		Black	22.1%	\$32,186	90.5%
		White	29.9%	\$35,574	100.0%
	Bachelor's and above	American Indian	32.5%	\$41,104	94.6%
		Black	30.6%	\$39,975	92.0%
		White	33.5%	\$43,473	100.0%
31 to 55	Below Bachelor's	American Indian	27.0%	\$35,236	82.4%
		Black	33.4%	\$39,754	93.0%
		White	36.9%	\$42,754	100.0%
	Bachelor's and above	American Indian	32.4%	\$47,837	70.3%
		Black	43.4%	\$54,539	80.1%
		White	43.4%	\$68,071	100.0%

* The total number of graduates includes those with unknown employment status, for example those who were unemployed, self-employed, or employed out of state.

Implications

- College completion matters! Boosting 4-year college degree attainment has potential to narrow gaps in
 - Finding full-time jobs
 - Working in a high-skill occupation
 - Earning a good wage
- Effects more likely if degrees are completed before 30.
- Nonetheless, the gains to a college degree appear lower for AIAN workers than for non-Hispanic White workers, even when many factors are controlled for.
- Selection effects cloud findings of causation or bias
- But do more research and consider policies that
 - Increase degree completion, especially before age 30
 - Reduce student debt loads for needy AIAN graduates
 - Address the job-finding issues of older AIAN graduates



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Questions?

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