

Hirability and Educational Prestige

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Abstract

Alternative credentials offer a partial solution to the skill gap and student debt crises, supernormal returns for some students, and a tool to support diversity hiring for firms. This paper tests the hypothesis that educational prestige explains hirability better than accreditation. An original questionnaire using repeated measures ($n = 454$) is investigated to determine the effects of accreditation and prestige on willingness to hire. A combination of descriptive statistics, ordinary least squares (OLS), and linear mixed models (LMM) reveal that prestige explains a larger component of hirability variance than accreditation. Accreditation remains independently important. Alternative credentials from a Fortune 50 learning provider are competitive with a traditional degree. Other high prestige alternative credentials demonstrate job search value, albeit at a lower level. The conclusion includes a discussion on industry and policy moves to improve total market surplus.

Keywords: alternative education, job search, work norms, education economics, social economics, labor economics, skill gap, prestige, debt crisis

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