

College for all? New analysis of labor market trends and College Scorecard data challenges myth that college degrees are only path to American Dream

Analysis demonstrates students trained for in-demand technical jobs can have better earnings than students who attended liberal arts and community colleges

SCOTTSDALE, Ariz., Sept. 6, 2016 /PRNewswire/ -- Earn a university or college diploma and a good job will follow, right? Not so fast.

A new analysis of federal data finds that students who choose an industry-aligned, quality postsecondary technical education may actually go on to earn more, on average, after 10 years than their peers at some of the nation's liberal arts colleges and two-year community colleges. Some vocational students are also better insulated from job losses driven by workforce automation – a growing factor impacting the labor market.

These are among the key findings gleaned from analysis of U.S. labor market trends and the U.S. Department of Education's [College Scorecard](#) conducted by consulting firm Wilcap, LLC.

" [Preparing our Students for Career Success – What Parents Should Know](#)," examines U.S. labor market trends and the *College Scorecard* to provide insights to parents and prospective students about how to choose educational paths that will lead to well-paying jobs.

According to the analysis, a surplus of college-educated workers has resulted in a mismatch between the skills the education system is teaching and the needs of employers. It recommends that parents and students adopt an "occupation-driven" approach to education to improve post-graduation outcomes.

The study uses earnings of auto-diesel students who went to Universal Technical Institute as an example of outcomes for an upskilled occupation in comparison to earnings for liberal arts students.

Key findings include:

- Students who attended UTI, with programs averaging just over one year, had 10-year median earnings[iii] that were substantially greater than the average of students who attended two-year public community colleges. Earnings of UTI students also were slightly higher than those who attended the nation's four-year liberal arts colleges, and were only \$6,000 behind the average of students who attended four-year research universities;
- A glut of job seekers with college degrees – and an accompanying shortage of jobs truly requiring a college degree – has caused stagnation or even downward pressure on incomes for four-year graduates;
- Complexity and customization of certain products and manufacturing processes are causing employers to "upskill" certain vocational jobs, causing a skills shortage for these positions and making them less vulnerable to automation;
- Labor force automation has eliminated many routine, task-intensive jobs. But certain middle-education, middle-wage jobs in the skilled trades – including medical paraprofessionals, automobile/truck technicians, electricians and plumbers – are safer from automation;
- Many jobs in the skilled trades that deliver good earnings are also experiencing the greatest shortage of talent, the so-called "skills gap" bemoaned by employers.

"Many people still believe that a four-year degree is the only path to the American Dream but it is no longer true," said Douglas Young, Managing Director of Wilcap, LLC., and author of *Preparing our Students for Career Success – What Parents Should Know*. "By showing recent labor market trends, this report helps explain why so many college students—including dropouts—experience tuition debt they cannot repay, underemployment, and disillusionment. The findings highlight the importance for parents to consider all alternatives to find which would be most appropriate for their students."

The key, according to this report, is an "occupation-driven" approach to education in order to increase students' chances of a successful career outcome.

"The right postsecondary education is still a necessary investment for a satisfying career and middle-class income for students. But, in the new economy, it is no longer sufficient for a student to simply get a four-year degree and assume a job will follow. Today, parents have to help their students become 'occupation-driven,'" says Young.

According to the study, adopting an occupation-driven approach entails:

1. Finding the range of occupations that might best fit a particular student;
2. Comparing projected earnings for chosen career paths, costs of education and graduation rates to determine if the investment in education will generate a positive return over the long term;
3. Understanding the realities of the current and future job market and careers that are best positioned to survive automation, offshoring and other emerging threats;

4. Getting work experience that can make students aware of the soft skills required for employment and help to narrow the range of possible occupations, and;
5. Choosing an educational program that equips graduates with skills that meet the needs of employers.

View the white paper here uti.edu/scorecard.

Download infographics here: <http://uti.mediaroom.com/imagelibrary>

About Universal Technical Institute, Inc.: Headquartered in Scottsdale, Arizona, Universal Technical Institute, Inc. (NYSE: UTI) is the leading provider of postsecondary education for students seeking careers as professional automotive, diesel, collision repair, motorcycle and marine technicians. With more than 200,000 graduates in its 51-year history, UTI offers undergraduate degree and diploma programs at 12 campus locations across the United States, as well as manufacturer-specific training programs at dedicated training centers. Through its campus-based school system, UTI provides specialized post-secondary education programs under the banner of several well-known brands, including Universal Technical Institute (UTI), Motorcycle Mechanics Institute and Marine Mechanics Institute (MMI) and NASCAR Technical Institute (NASCAR Tech).

For more information, visit www.uti.edu. Like UTI on www.facebook.com/UTI or follow UTI on Twitter @UTITweet, @MMITweet and @NASCARTechUTI.

For information about our graduation rates, the median debt of students who completed the program and other important information, visit our website at www.uti.edu/disclosure.

[i] G. Douglas Young, Wilcap, LLC, Preparing our Students for Success – What Parents Should Know, August 2016, Phoenix, Ariz.

[ii] Ten-year median earnings are calculated by determining the median earnings of former students, who received federal financial aid and regardless of whether they graduated, at 10 years after entering the school. Earnings are defined in the College Scorecard as the sum of wages and deferred compensation from all W-2 forms received for each individual plus self-employment earnings. The earnings data shown in the College Scorecard under the Office for Postsecondary Education Identification (OPEID) number for UTI of Arizona includes UTI campuses in Avondale, Ariz., Rancho, Cucamonga, Calif., and Glendale Heights, Ill. The OPEID number is assigned by the U.S. Department of Education to identify schools eligible to participate in federal student financial assistance programs under Title IV regulations.

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