Who benefits from the GED? New regression discontinuity evidence from Massachusetts

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Abstract

A mature body of research has examined the labor market returns to passing the GED, typically finding modest (or negligible) benefits for the individual. In this study, we use a regression discontinuity research design to estimate the impact of obtaining the GED on postsecondary outcomes for two self-selected groups of test-takers in Massachusetts: high school dropouts who do and do not enroll in publicly funded adult basic education (ABE) classes. In contrast with previous work, we find that earning a GED credential substantially increases enrollment and persistence in postsecondary education for ABE students who marginally pass the GED, but find no such effects for dropouts who do not participate in ABE. Specifically, our IV estimates indicate that earning a GED increases the likelihood that ABE participants ever enroll in college by 33.4-55.8 percentage points and increases enrollment for four or more quarters by 25.4-33.7 percentage points, depending on the specification. We hypothesize that although ABE students are negatively selected in terms of academic skills, they are positively selected on dimensions of non-cognitive skills and motivation relative to non-ABE test-takers. Our findings highlight a policy-relevant population of GED test-takers for whom earning a GED may be particularly beneficial and furthers our understanding of who does/does not benefit from this credential.