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# College Graduates Fare Well in Jobs Market, Even Through Recession

By CATHERINE RAMPELL

Is college worth it? Given the growing price tag and the frequent anecdotes about jobless graduates stuck in their parents' basements, many have started to question the value of a college degree. But the evidence suggests college graduates have suffered through the recession and lackluster recovery with remarkable resilience.

The unemployment rate for [college graduates in April](#) was a mere 3.9 percent, compared with 7.5 percent for the work force as a whole, according to a Labor Department report released Friday. Even when the jobless rate for college graduates was at its very worst in this business cycle, in November 2010, it was still just 5.1 percent. That is close to the jobless rate the rest of the work force experiences when the economy is good.

Among all segments of workers sorted by educational attainment, college graduates are the only group that has more people employed today than when the recession started.

The number of college-educated workers with jobs has risen by 9.1 percent since the beginning of the recession. Those with a high school diploma and no further education are practically a mirror image, with employment down 9 percent on net. For workers without even a high school diploma, employment levels have fallen 14.1 percent.

But just because college graduates have jobs does not mean they all have “good” jobs.

There is ample evidence that employers are hiring college-educated workers for jobs that do not actually require [college-level skills](#) — positions like receptionists, file clerks, waitresses, car rental agents and so on.

“High-skilled people can take the jobs of middle-skilled people, and middle-skilled people can take jobs of low-skilled people,” said Justin Wolfers, a professor of public policy and economics at the University of Michigan. “And low-skilled people are out of luck.”

In some cases, employers are specifically requiring four-year degrees for jobs that previously did not need them, since companies realize that in a relatively poor job market college graduates will be willing to take whatever they can find.

That has left those who have spent some time in college but have not received a bachelor's degree to scramble for what is left. Employment for them fell during the recession and is now back to exactly where it began. There were 34,992,000 workers with some college employed in December 2007, and there are 34,992,000 today.

In other words, workers with four-year degrees have gobbled up all of the net job gains. In fact, there are more employed college graduates today than employed high school graduates and high school dropouts put together.

It is worth noting, too, that even young college graduates are finding jobs, based on the most recent data on this subgroup. In 2011, the unemployment rate for people in their 20s with at least a bachelor's degree was 5.7 percent. For those with only a high school diploma or a G.E.D., it was nearly three times as high, at 16.2 percent.

Americans have gotten the message that college pays off in the job market. College degrees are much more common today than they were in the past. In April, about 32 percent of the civilian, noninstitutional population over 25 — that is, the group of people who are not inmates of penal and mental facilities or residents of homes for the disabled or aged and who are not on active military duty — had a college degree.

Twenty years ago, the share was 22 percent. Given the changing norms for what degree of educational training is expected of working Americans, employers might assume those who do not have a four-year degree are less ambitious or less capable, regardless of their actual ability.

These forces might help explain why there is so much growth in employment among college graduates despite the fact that the bulk of the jobs created in the last few years have been **low-wage and low-skilled**, according to a report last August from the National Employment Law Project, a liberal research and advocacy group. Today nearly one in 13 jobs is in food services, for example, a record share.

Clearly, positions in retail and food services are not the best use of the hard-earned skills of college-educated workers, who have gone to great expense to obtain their sheepskins. **Student loan** borrowers **graduate** with an average debt of \$27,000, a total that is likely to grow in the future.

But nearly all of those graduates are at least finding work and income of some kind, unlike a much larger share of their less educated peers. And as the economy improves, college graduates will be better situated to find promotions to jobs that do use their more advanced skills and that pay better wages, economists say.

The median weekly earnings of college-educated, full-time workers — like those for their counterparts with less education — have dipped in recent years. In 2012, the weekly

median was \$1,141, compared with \$1,163 in 2007, after adjusting for inflation. The premium they earn for having that college degree is still high, though.

In 2012, the typical full-time worker with a bachelor's degree earned 79 percent more than a similar full-time worker with no more than a high school diploma. For comparison, 20 years earlier the premium was 73 percent, and 30 years earlier it was 48 percent.

And since a higher percentage of college graduates than high school graduates are employed in full-time work, these figures actually understate the increase in the total earnings premium from college completion, said [Gary Burtless](#), a senior fellow at the Brookings Institution, an independent research organization.

So, despite the painful upfront cost, the return on investment on a college degree remains high. An analysis from the Hamilton Project at the Brookings Institution in Washington estimated that the benefits of a four-year college degree were equivalent to an investment that returns 15.2 percent a year, even after factoring in the earnings students forgo while in school.

“This is more than double the average return to stock market investments since 1950,” the report said, “and more than five times the returns to corporate bonds, gold, long-term government bonds, or homeownership.”