College graduates in 'high school' jobs: a commentary

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Some facts about college graduates relative to persons with less education are well documented in the literature, and subject to little, if any, debate: college graduates have much higher median earnings than those with less education and the earnings premium for college graduates increased during the 1980's, in contrast to a decline during the 1970's.

From an occupational perspective, data also clearly show that most college graduates are employed in professional, managerial, or other jobs that generally require a college degree. Since the early 1980's, however, between 17 and 18 percent of all college graduates were employed in jobs that do not require a degree. The proportion was even higher for those with a bachelor's degree, with about 23 percent in jobs that do not require a degree.[1]

John Tyler, Richard J. Murnane, and Frank Levy provide an important contribution to information about the college graduate job market through their analysis of young graduates and older graduates, separately for men and women, using 1980 and 1990 census data. They show that the status for young college graduates improved from 1979 to 1989 based on earnings improvements and a slight decline in the proportion of graduates in noncollege-level jobs—which they call "high school jobs." Data in table 2 of their article show that the proportion of bachelor's degree graduates in "high school jobs" declined from 28.2 percent in 1979 to 25.2 percent in 1989 for young women and from 25 percent to 23.2 percent for young men.

I have two primary concerns about their analysis. First, I question the significance of the declines in the proportion of graduates in "high school jobs." The higher percent in 1979 may be attributable, at least in part, to a change in education classification from the 1980 to 1990 census in which persons with 4 years of college, but no degree are included in the 1979 data, but not in the 1989 data. The Current Population Survey (CPS) data from February 1990 coded both on the 1980 and 1990 census classification indicated 8 percent of those reporting 4 years of college did not have a bachelor's degree.[2] This group may be more likely to hold a noncollege-level job than those with a degree. Furthermore, the 1989 data for persons whose highest degree is a bachelor's degree, include persons who have had post-bachelor's degree study, but have not received an advanced degree. These individuals may be less likely to have a noncollege-level job than those with no postbachelor's study. The CPS data show that 15 percent of those reporting a bachelor's degree as their highest degree in February 1990 also reported 5 or 6 years of college.

The second concern relates to the need for more complete information for individuals to use in making decisions on whether to pursue a bachelor's degree. Knowing that median earnings of college graduates are higher than those for high school graduates is a major part of the story, but knowledge that nearly 25 percent of all college graduates entering the labor force, 1992–2005, may end up in jobs not requiring a degree or be unemployed, is also important.[3] The unanswered question that arises from the data is: given the high and rising relative earnings of college graduates, why do so many end up taking lower level jobs?

Clearly, just getting a degree is not a guarantee of success. What students do in college also matters. Elsewhere in this issue of the *Review*, I report on the wide variation in earnings of college graduates, by field of study. More information about the effects of grades, type of school attended, and other college-related factors and of personal characteristics on job and earnings outcomes are also needed.

Tyler, Murnane, and Levy focus on the comparison between bachelor's degree graduates and high school graduates. To make a more fully informed decision about pursuing a bachelor's degree, more information is needed on outcomes of associate degree, post-high school certificate, and other education programs. □

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Footnotes

[1] See Thomas A. Amirault, "Job Market Profile of College Graduates in 1992: A Focus on Earnings and Jobs," *Occupational Outlook Quarterly*, Summer 1994, pp. 20–28.

[2] See Robert Kominski and Paul M. Siegel, "Measuring education in the Current Population Survey," *Monthly Labor Review*, September 1993, pp. 34–38.

[3] See Kristina J. Shelley, "More Job Openings–Even More New Entrants: the Outlook for College Graduates, 1992–2005," *Occupational Outlook Quarterly*, Summer 1994, pp. 4–9. Amirault and Shelley's research is summarized in Daniel E. Hecker, "Further analyses of the labor market for college graduates," *Monthly Labor Review*, February 1995, pp. 39–41.