

Jobs: They're Not What They Used to Be

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During every business cycle, economies experience job losses followed by subsequent job gains such that, in time, all job losses are made up, and then some.

Between January 2008 and February 2010, almost nine million jobs were lost, but by January 2013 the number of employed Americans had almost fully recovered. The typical good news story, right? Not so fast; the educational attainment of the persons employed in the "recovered" jobs were dramatically different than those in the "lost" jobs. This has profound social and economic implications.

While total employment was virtually unchanged on January 2008 and January 2013, millions of workers without college degrees lost jobs and never regained them. For example, the number of employed Americans with less than a high school diploma fell by roughly 1.6 million; the number of high school graduates with jobs fell by about 2.8 million; and the number employed with some college, but no B.A. fell by 225,000. Over that same five years, the number of college-educated Americans with jobs increased by more than 4.3 million!

In the next five years of the expansion, years 2013 through 2017, job growth improved; 10.7 million jobs were created. While every educational group saw gains, the distribution was again severely skewed towards those with more education. Those with less than a high school diploma picked up 744,000 jobs, those with a high school diploma added 720,000 jobs, and employees with some college saw employment gains of 1.6 million. However, college graduates scooped up 7.6 million jobs, or 71% of all new employment, despite being just 36.5% of the labor force in January 2013.

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In short, college graduates gained twice as many jobs as predicted by their share of total jobs in January 2013. And that percentage was already meaningfully higher than the 33.6% that it was on December 2007, the eve of the Great Recession. As a result, the share of jobs held by the other three educational groupings declined. It fell by a whopping 22% for those with less than a high

school diploma, 11% for those with a high school diploma, and by just 4% for those with some college (and this includes those with two-year degrees). More education clearly mitigates these negative employment trends.

What is so troubling is that Americans without college degrees, who currently comprise 60% of the labor force, lose employment opportunities regardless of where we are in the business cycle. Worse, many of the less educated men who lose their jobs drop out of the labor force, depriving the economy of millions of workers. At the same time, the national unemployment rate is at a generational low, and employers are desperate for skilled labor. We will soon reach a point where GDP slows simply because of a lack of available workers.

Even though a college education is immensely helpful, pushing all high schoolers to go is a disservice. Worse, telling those that do not go to college that they are failures just compounds the problem. As a result, more students go to college than ever before, but only 57% of college freshmen complete their degree within six years; many never finish. College should be seen as one option among many.

Another approach is to increase the number of apprenticeship programs. At present, just 0.3% of the total US workforce is in a registered apprentice program, while in Germany it's almost 4%, 12 times higher! These jobs pay well, and their graduates are far more likely to be fully employed.

The nature of work is changing, and new jobs increasingly demand better skilled workers. Earning nothing more than a high school diploma all but guarantees low wages and long spells of unemployment. While college is an excellent solution, stigmatizing those that do not go is harmful. To that end, giving high school graduates who are not interested in college a wider variety of ways to gain vocational skills and demonstrate employability is critical.

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