



Straight A's

Public Education Policy And Progress



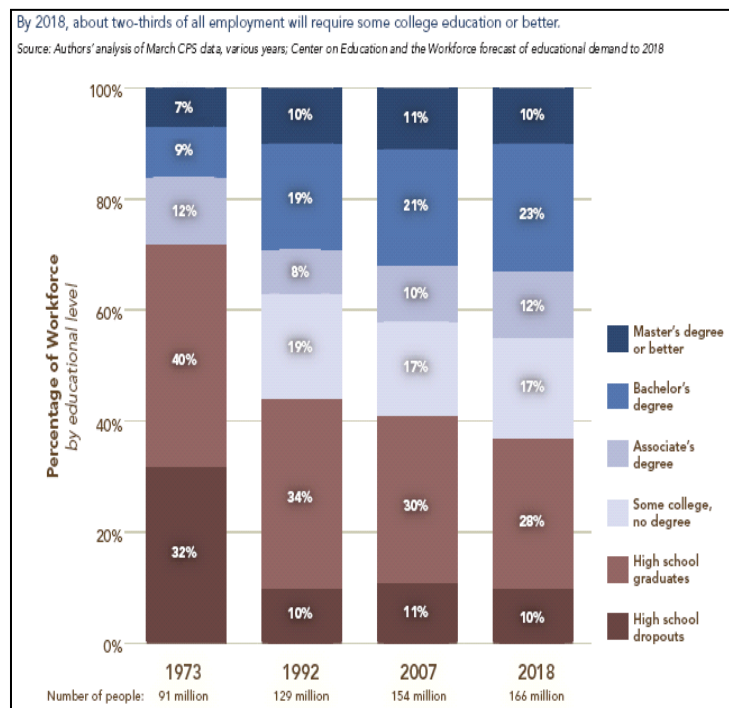
HELP WANTED: New Report Finds Nearly Two Thirds of All Job Openings Will Require Postsecondary Education by 2018

About 63 percent of the 46.8 million job openings created by 2018 will require workers with at least some college education, according to a new report from the Georgetown University Center on Education and the Workforce. Of these job openings, less than 36 percent will require workers to have just a high school diploma or less, finds the report, *Help Wanted: Projections of Job and Education Requirements Through 2018*.

The report attributes the growth in demand for education after high school to two major trends. First, the fastest-growing industries, such as computer and data processing services, require workers with disproportionately higher education levels. Second, occupations as a whole are steadily requiring more education.

For example, in 1973, twenty-five million jobs required applicants to have at least some college education. By 2007, that number had nearly quadrupled to ninety-one million jobs. During that time, the percentage of jobs available to high school dropouts fell from 32 percent to 11 percent, while the percentage of jobs requiring some education after high school grew from 28 percent to 59 percent, as shown in the chart to the right.

Looking ahead to 2018, approximately one third of all available jobs will require individuals to have a bachelor's degree or higher. Meanwhile, only 10 percent of jobs will be open to high school dropouts, while about 28 percent will be open to individuals with a high school diploma.



“The implications of this shift represent a sea change in American society,” the report reads. “Essentially, postsecondary education or training has become the threshold requirement for

access to middle-class status and earnings in good times and in bad. It is no longer the preferred pathway to middle-class jobs—it is, increasingly, the *only* way.”

Meanwhile, individuals with a high school diploma or less are on the “down escalator” of social mobility, the report finds. In 1970, almost half (46 percent) of high school dropouts were in the middle class. By 2007, the share of dropouts in the middle class had fallen to 33 percent. The same is true for high school graduates, 60 percent of whom were in the middle class in 1970. Today, only 45 percent of high school graduates are considered to be in the middle class.

According to the report, the recession is only accelerating the shift to jobs requiring postsecondary education. During the past two recessions, individuals who typically lost jobs were high school-educated males in blue-collar jobs such as manufacturing or construction. In the past two recoveries, however, those jobs were not the ones coming back. Instead, jobs were going to women with postsecondary education who worked in a service industry such as health care or education.

“Hundreds of thousands of low-skill jobs in manufacturing, farming, fishing, and forestry have been permanently destroyed because the recession has further prompted employers to either automate those positions or ship them offshore to take advantage of cheap labor,” the report reads.

This pattern is likely to continue in the future. As evidence, the report points to research from McKinsey Global Institute, which finds that 71 percent of U.S. workers are in jobs for which there is either low demand for employers, an oversupply of eligible workers, or both.

Meanwhile, the report finds a shortage of workers to fill the jobs of the future that will require more education and training. In fact, by 2018 the postsecondary education system is projected to produce three million fewer college graduates than the labor market requires. It notes that degrees conferred would have to increase by about 10 percent a year to eliminate the projected shortfall.

“America needs more workers with college degrees, certificates, and industry certifications,” said **Anthony P. Carnevale, director of the Center on Education and the Workforce**. “If we don’t address this need now, millions of jobs could go offshore.”

According to the report, the greatest intensity in the demand for workers with postsecondary education occurs in a cluster of fast-growing services industries—information services, professional and business services, financial services, private education services, healthcare services, and government and public education services. Each of these industries have workforces dominated—75 to 90 percent—by workers with at least some postsecondary education.

There will, of course, still be jobs in the future for individuals with a high school diploma or less. However, these jobs will increasingly fail to pay enough to support a family or pay a living wage. As shown in the table below, the top industry for dropouts and high school graduates is

farming, fishing, and forestry, in which 91 percent of workers are required to have a high school diploma or less.

Occupation	High School or Less	Some College, No Degree	Associate's Degree	Bachelor's Degree or Higher
Farming, fishing, and forestry	91%	3%	3%	2%
Building and grounds clearing and maintenance	75%	12%	5%	8%
Construction and extraction	72%	13%	9%	7%
Transportation and material moving	67%	19%	7%	8%
Production	62%	18%	11%	9%
Food preparation and serving	62%	18%	9%	12%
Installation, maintenance, and repair	51%	19%	21%	10%

Of the nine different occupational clusters included in the report, only blue-collar and food and personal services jobs will hire more than half of their workers from a pool of high school graduates and dropouts.¹ According to the report, about 80 percent of job openings in blue-collar occupations will go to individuals with a high school education or less. These occupations include bus and truck drivers, service station attendants, and mechanics. In the food and personal services industry, about 56 percent of jobs will go to high school dropouts or high school graduates. These jobs include waiters and waitresses, childcare providers, maids, janitors, and groundskeepers.

Overall, blue-collar jobs are still dominated by positions that require a high school degree or less, but even these sectors have cut down on the percentages of individuals with a high school education or less among their workforce. In 1983, 74 percent of blue-collar jobs were filled by high school dropouts and graduates, but that number fell to 69 percent in 2007 and is projected to fall to 65 percent by 2018. The same is true in the food and personal services industry where 70 percent of jobs were held by individuals with a high school diploma or less in 1983. By 2018, that number is projected to fall to 56 percent.

At the same time, the percentage of blue-collar jobs in the American economy is on the decline. Of the nine job clusters, blue-collar ranks second in number of total employment, but eighth in overall new job creation. Consequently, blue-collar jobs will grow from 33.8 million to 43.6 million by 2018, but its percentage of total jobs will fall from 23 percent to 21.4 percent. Blue-collar jobs also saw the lowest increase in real earnings—less than \$1,000—from the early 1980s to the mid-2000s. Meanwhile, wages for healthcare professionals increased more than \$26,000 during the same period.

The report also takes on the argument that increasing the number of workers with postsecondary education will decrease wages. It acknowledges that wages for workers with a bachelor's degree

¹ The nine occupational clusters featured in the report are blue collar, community services and arts, education, food and personal services, healthcare professional and technical, healthcare support, managerial and professional office, sales and office support, and STEM occupations (science, technology, engineering, mathematics, and social sciences).

or better have declined since 2000 but points out that the relative wage differentials over workers with lower levels of education have remained stable. The report argues that it is “irresponsible” to argue against the pursuit of a college degree because real returns have fallen, especially when college graduates can still expect to earn almost twice as much as their noncollege-educated competition even given that decline. “If we continue to incorrectly downplay the value of postsecondary attainment—and discourage young Americans from pursuing college degrees because real wages have dipped in this decade—this discouragement will lead to low-skill, low-wage work over the next ten years,” the report reads.

The report warns of a growing mismatch between the jobs created over the next decade and the education and training of our adult workers. “More than 60 million of our prime-age workforce who are 25–64 years old are still working in jobs that require high school or less,” it reads. “That economy is receding fast and those workers will be left behind: unemployed, underemployed, or likely stuck in jobs that don’t provide middle-class wages.”

Read the complete report at <http://cew.georgetown.edu/jobs2018/>.



***THE GED*: New Report Finds that GED Recipients Fare Little Better Economically Than High School Dropouts**

A new report from the University of Chicago finds that a General Educational Development (GED) credential holds little value in helping students succeed in the job market or earn a postsecondary degree. The report, *The GED*, also notes that GED recipients are more equivalent to high school dropouts than they are to high school graduates in terms of their career outcomes, earnings, and their general performance in society.

According to the report, GED recipients are as smart as high school graduates are when measured by a scholastic achievement test. However, as a group, GED recipients persistently fail to perform at the level of high school graduates. The report attributes the lack of success for many GED recipients to personality shortfalls such as lack of persistence, low self-esteem, low self-efficacy, and a high propensity for risky behavior. “The same traits that lead them to drop out of school also lead them to leave from jobs early, to divorce more frequently, and to fail in the military,” the report reads.

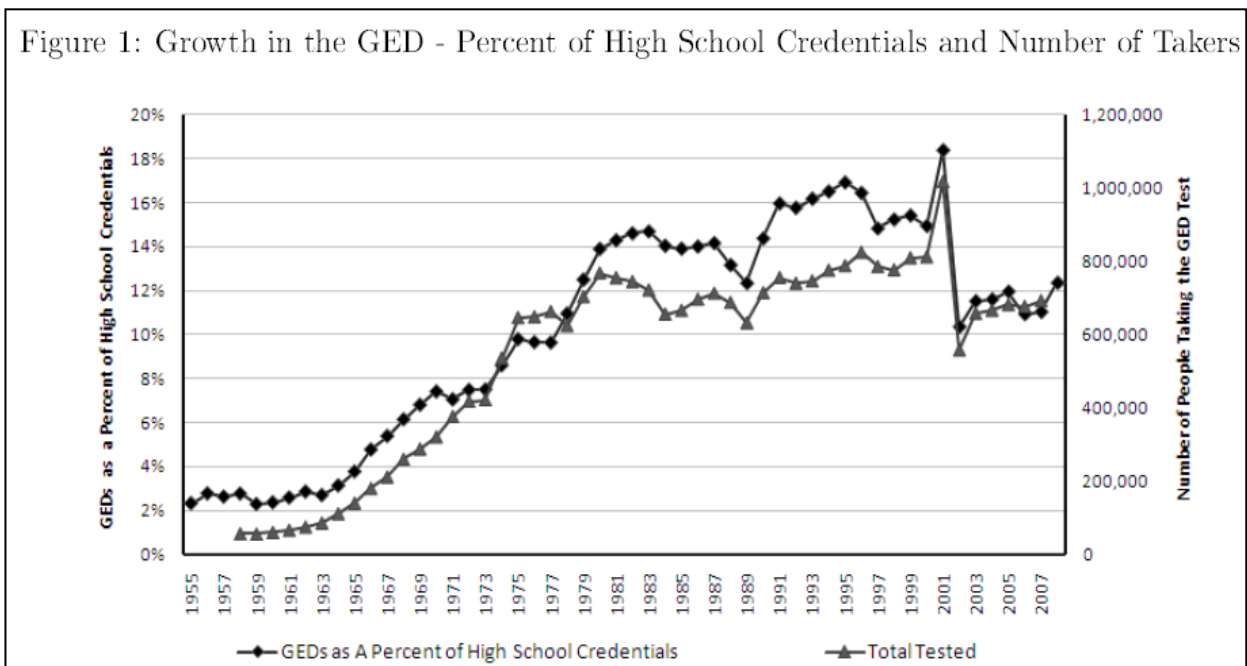
The report finds that GED recipients go to college at a higher rate than high school dropouts, but notes that few recipients finish more than one semester after enrolling. It cites a study by the GED Testing Service, which followed one thousand randomly selected individuals who passed the GED test in 2002, and found that only 31 percent ever enrolled in a postsecondary institution of any kind, and that 77 percent of those who enrolled did so for only a single semester.

“None of this would matter if the GED were harmless, like wearing a broken watch and knowing that it is broken. But the GED is not harmless,” write report authors **James Heckman, John Humphries, and Nicholas Mader**. “Treating it as equivalent to a high school degree distorts social statistics and gives false signals that America is making progress when it is not.”

According to the report, the GED, which is earned after passing an eight-hour battery of tests, distorts social statistics on high school completion rates, minority achievement gaps, and sources of wage growth. For example, it finds that GEDs account for 20 percent of black high school credentials, but only 11 percent of white credentials. “Rather than a convergence in minority education attainment, over the last 40 years the minority education gap has been constant,” the report reads.

Citing evidence from numerous research studies, the report argues that the GED option actually increases the high school dropout rate because some students view the GED program as an easier alternative to working hard and graduating from high school. For example, while the average high school student spends approximately 1,080 hours in class a year (4,320 hours over four years), the median study time for those who reported studying for the GED was twenty-five hours. Additionally, a 2002 survey by the National Center for Education Statistics found that 40.5 percent of surveyed high school dropouts listed “would be easier to get the GED” as among their reasons for leaving school. Behind “missed too many school days,” this was the second most frequently cited reason for leaving.

Even with all of this evidence against the usefulness of a GED, it continues to grow. As shown in the chart below, nearly 500,000 high school dropouts passed the GED test in 2008. Those individuals accounted for 12 percent of all high school credentials issued that year. At the same time, the exam’s difficulty continues to decrease. When the GED exam was introduced in 1942, it was estimated that 80 percent of graduation-bound high school seniors could pass the test on their first try. Currently, however, it is estimated that only 60 percent of graduation-bound high school seniors are able to pass the test on their first try.



The report attributes the GED program’s explosive growth to an increase in government programs that promote the GED as a quick fix for addressing the high school dropout crisis and

adult education programs that promote convict rehabilitation. At the same time, the test is being made available to younger individuals than ever before.

The GED exam was introduced by the American Council on Education in 1942 as a credential for returning World War II veterans who entered the armed services before completing high school. In the late 1940s, states began to offer the test to civilians, but by 1957, civilian test takers outnumbered veteran GED recipients. Throughout its history, the minimum age for taking the GED exam has decreased. In 1955 it was age twenty, in 1970 it was lowered to age eighteen, and today the national minimum age is sixteen. As a result, a higher percentage of younger people have the opportunity now to take the test than fifty years ago.

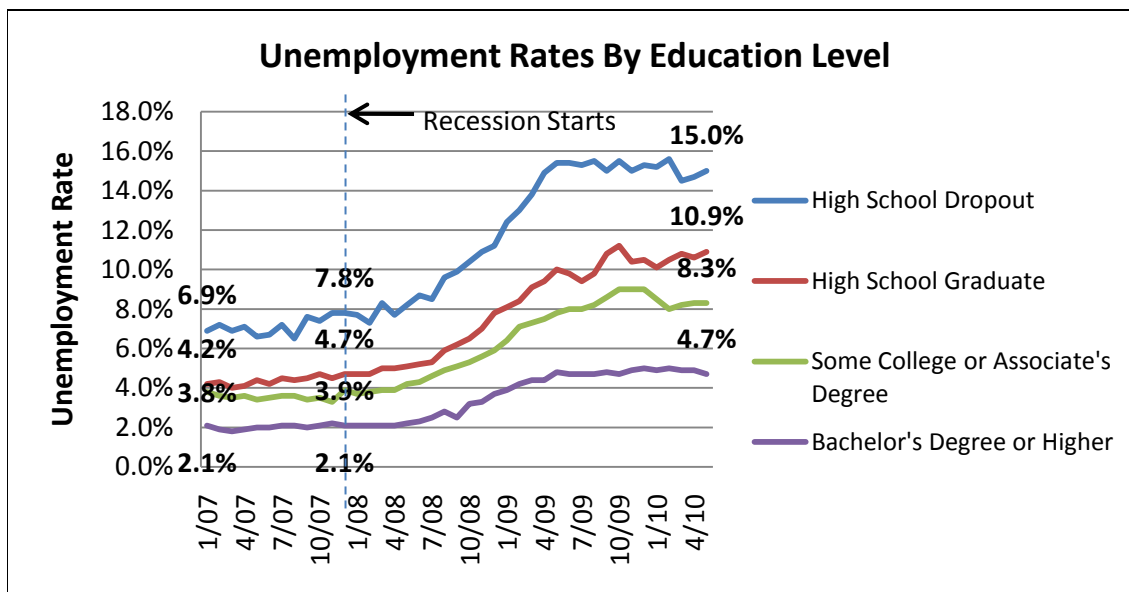
To download the entire report, visit <http://papers.nber.org/papers/w16064> (\$5 fee to download).



JOBS WATCH: High Unemployment Rates Continue to Disproportionately Affect High School Dropouts

High school dropouts are more than three times as likely to be unemployed than college graduates based on the [May 2010 numbers from the U.S. Bureau of Labor Statistics](#) released earlier this month. Overall, the unemployment rate inched down to 9.7 percent from 9.9 percent in April thanks in large part to the hiring of 411,000 temporary employees to work on the Census 2010.

The recession continues to disproportionately affect some groups of individuals more than others. For example, younger workers aged sixteen to nineteen (26.4 percent unemployment rate), African Americans (15.5 percent), and Hispanics (12.4 percent) were more likely to be unemployed than whites (8.8 percent). As shown in the chart below, 15 percent of high school dropouts aged twenty-five years or older were unemployed, compared to 4.7 percent for individuals in the same age range with a bachelor's degree or higher.



Source: Employment status of the civilian population age twenty-five years and older by educational attainment (<http://www.bls.gov/news.release/empsit.t04.htm>).

As college graduates from the Class of 2010 hit the workforce, the unemployment rate for individuals with a bachelor's degree or higher could show a small uptick. However, as a recent *Washington Post* article points out, this year's class of college graduates is benefiting from lessons learned by recent classes of college graduates who entered the job market during the recession.

"Many of my best friends graduated last year," the article quotes Christina Haley, who just graduated from Marymount University in Arlington County, Virginia. "One out of five has a 'career job.' We all had seen a couple of years of people graduating and not finding jobs. It put the fear in us to start earlier, to pull strings so that we wouldn't be stuck."

According to the article, this year's crop of college graduates has set their sights on simply getting a job instead of debating salaries and benefits. "They begged for internships. They hyper-networked and filed dozens of applications," the article reads. "They often locked in on early offers rather than holding out for something better."

The article cites a recent survey of about 13,000 graduating seniors by the National Association of College and Employers: nearly 40 percent received job offers and 59 percent of those students accepted them. Last year, 40 percent of seniors got offers but only 45 percent of them accepted. Consequently, about 25 percent of 2010 graduates said they had a job prior to graduation, up from about 20 percent from the year before.

As the article points out, not all seniors are accepting jobs or even going into the workforce. More 2010 graduates have taken the Law School Admission Test than graduates from the Class of 2009 while other graduates are going the public service route. According to the article, Teach for America, which recruits for hard-to-staff public schools, received a record 46,000 applications from the Class of 2010 and was the top employer at some universities.

Read "College Graduates Are Less Choosy as They Launch into Their Work Lives" at http://www.washingtonpost.com/wp-dyn/content/article/2010/06/18/AR2010061805165_2.html.

Straight A's: Public Education Policy and Progress is a biweekly newsletter that focuses on education news and events in Washington, DC and around the country. The format makes information on federal education policy accessible to everyone from elected officials and policymakers to parents and community leaders. The Alliance for Excellent Education is a national policy and advocacy organization that works to improve national and federal policy so that all students can achieve at high academic levels and graduate from high school ready for success in college, work, and citizenship in the twenty-first century. For more information about the Alliance, visit <http://www.all4ed.org>.