

Graduates of college fared better in recession

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Educated young workers lost less in employment and pay than their peers

BY RICHARD PÉREZ-PEÑA

Young adults have long faced a rough job market, but in the last recession and its aftermath, college graduates did not lose nearly as much ground as their less-educated peers, according to a new study.

The study, published on Wednesday by the Pew Charitable Trusts, shows that among Americans age 21 to 24, the drop in employment and income was much steeper among people who lacked a college degree.

The findings come as many published articles and books have told the stories of young college graduates unable to find work, and questioned the conventional wisdom that a college education is a worthwhile investment and the key to opportunity and social mobility. The study did not take into account the cost of going to college.

"This shows that any amount of post-secondary education does improve the labor market outcomes for those recent graduates," said Diana Elliott, the research manager for Pew's Economic Mobility Project. "This is not necessarily to discredit those individual stories."

In fact, the study documents a serious decline in the job picture for young people.

Using data from the U.S. Census Bureau's Current Population Survey, Pew looked at employment, either full-time or part-time, among 21- to 24-year-olds, in the roughly two and a half years before the 2007-2009 recession, during it, and in the two and a half years after it.

Among those whose highest degree was a high school diploma, only 55 percent had jobs even before the downturn, and that fell to 47 percent after it. For young people with an associate's degree, the employment rate fell from 64 percent to 57 percent.

But those with a bachelor's degree started off in the strongest position and weathered the downturn best, with employment slipping from 69 percent to 65 percent.

The Bureau of Labor Statistics recorded a similar decline, about four percentage points, among all people over

20, at any education level.

Similarly, in all three groups of young adults, wages fell for those who had work, but the decline was spread unevenly.

For people with four-year college degrees, wages slipped 5 percent compared with a 12 percent decrease for their peers with associate's degrees, and a 10 percent decline for high school graduates.

One surprise in the data, Ms. Elliott said, had to do with "the prevailing speculation that people who couldn't find work were returning to school, enhancing their training." In fact, college enrollment over all rose sharply for several years, driven primarily by older students, before leveling off in 2011.

But Pew's study found that among people age 21 to 24, the rate of college enrollment actually declined slightly, during and after the recession.

