

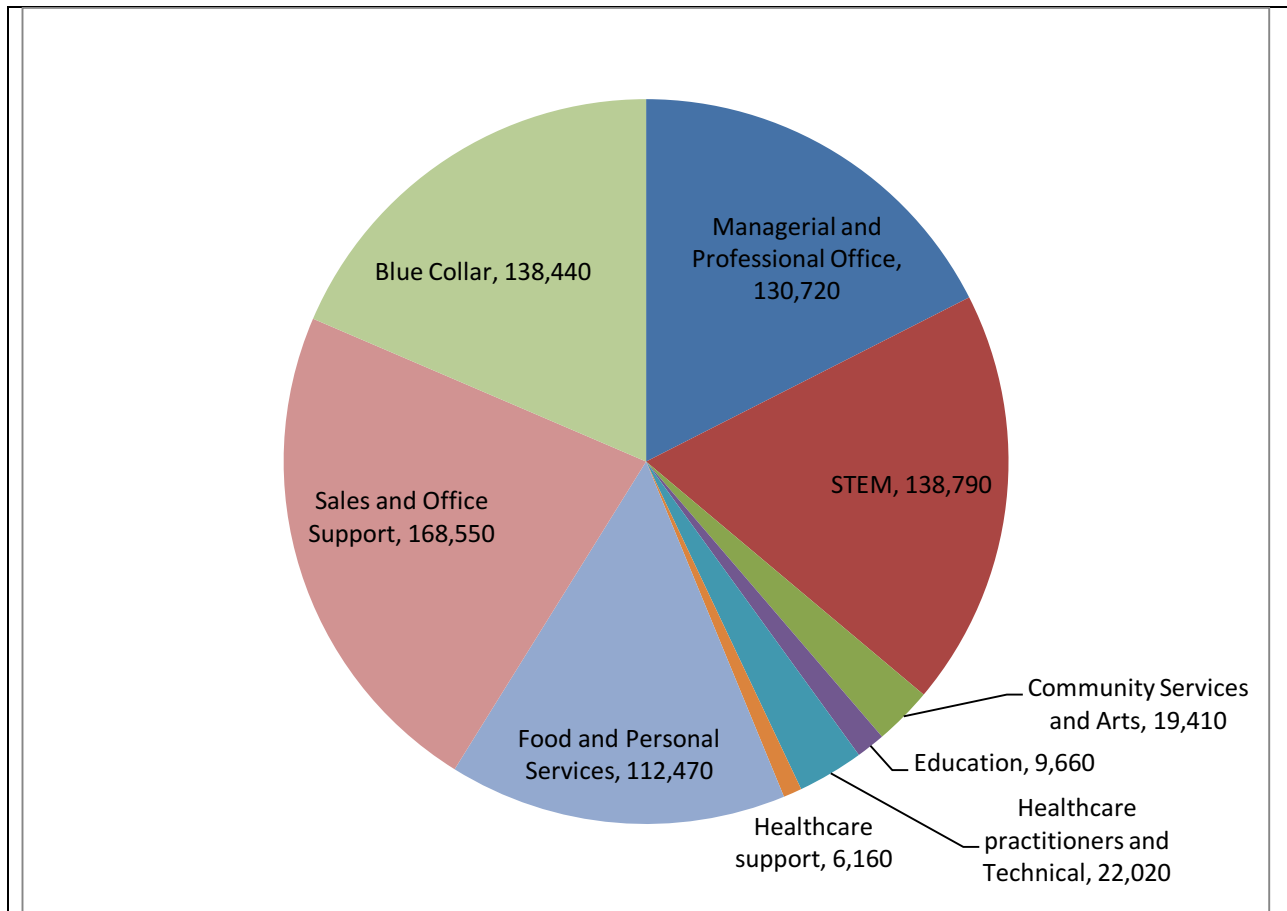


COLLEGE JOBS ARE HIT DISPROPORTIONATELY BY THE SEQUESTER

70% of the jobs lost will be for people with some college or better.

(Washington, D.C., March 26, 2013) The Georgetown Center on Education and the Workforce finds that of the estimated 746,222 jobs lost by 2014 due to sequestration of federal spending; over 70 percent of those jobs lost will be for workers with postsecondary education and training.

That is, in the 21 months immediately following the sequester, a total of 521,000 jobs will be lost for workers with postsecondary education and training beyond high school. This translates into 129,000 jobs lost for people with some college or a postsecondary vocational certificate; 86,000 jobs lost for those with an Associate’s degree; 207,000 jobs lost for Bachelor’s degree holders and 99,000 jobs for those with graduate degrees.

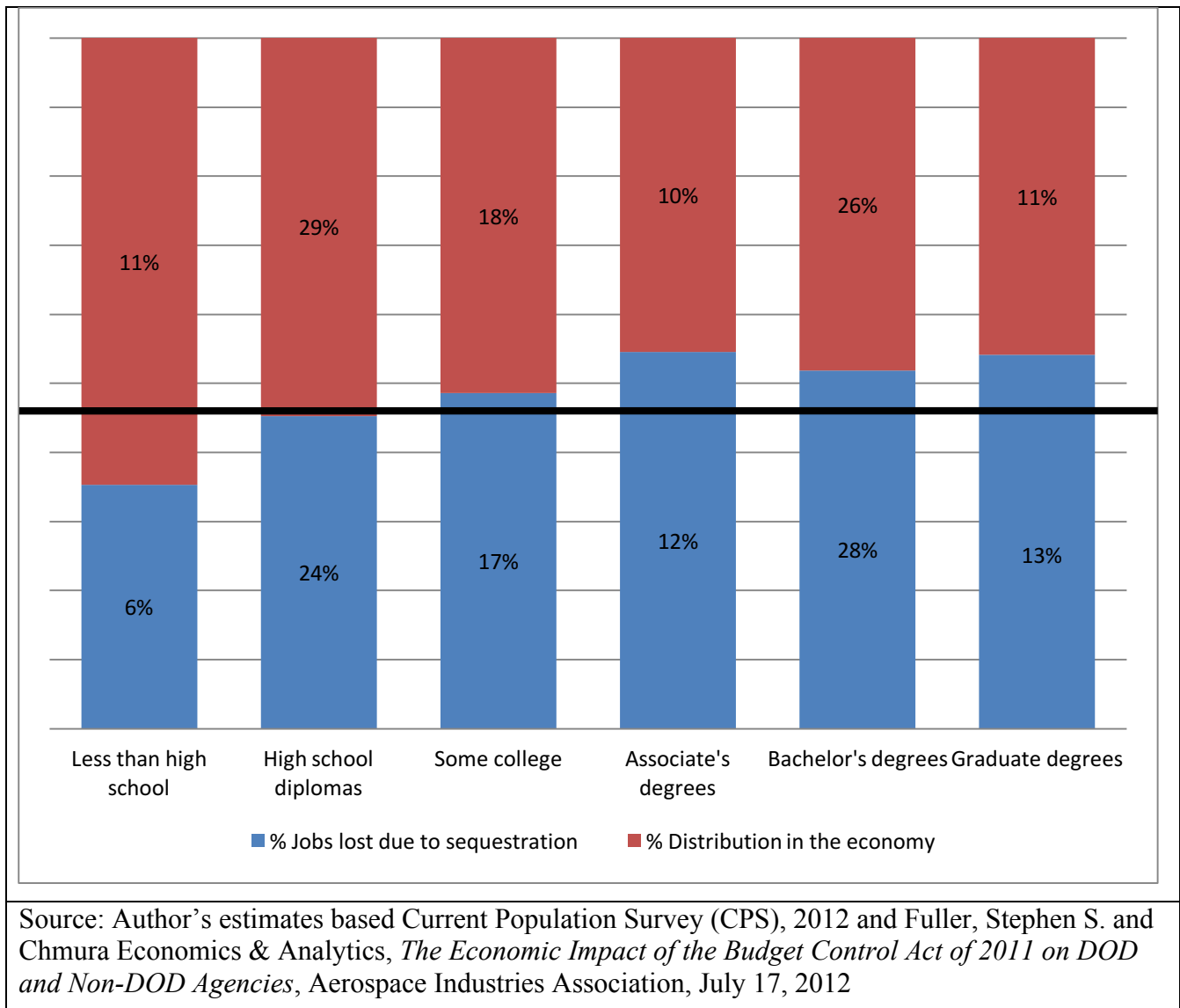


Source: Author’s estimates based on Fuller, Stephen S. and Chmura Economics & Analytics, *The Economic Impact of the Budget Control Act of 2011 on DOD and Non-DOD Agencies*, Aerospace Industries Association, July 17, 2012

Twenty percent of all jobs in the sequester will be lost in the one of the most innovative and productive sectors in the economy: STEM. Science, Engineering, Mathematics and Computer and Technology jobs will account

for 139,000 jobs lost. This is especially alarming when we consider that traditional STEM occupations are just 5 percent of the economy overall.

Many of the jobs lost between 2013 and 2014 will also come from the professional and business services industries, education and administrative support services. Job losses in these labor-intensive sectors promise to add increased pressure on already strapped resources.



The most educated will also be hard hit. 40 percent of all jobs lost to the sequester will be for people with a bachelor's degree or better. This is because government employees, (federal state and local) tend to be very well educated. Close to 50% of them have a bachelor's degree or higher compared to 31% for the private sector. Moreover, these workers tend to be relatively older than for the nation as a whole which leads us to two observations:

- The more educated workforce bearing the brunt of sequestration is better equipped to find alternative employment, given that bachelor-degreed workers are three times less likely to be unemployed than high school dropouts, and
- The more educated older workforce have previously weathered the storm of the Great Recession and have a reduced ability to rely on pensions, 401Ks and social security as a safety net.

The Budget Control Act of 2011 will lead to spending cuts of \$1.2 trillion between March 2013 and March 2021. Though the overall immediate macroeconomic impact of sequestration is subdued as GDP is forecast to

shrink by a mere 0.6 percentage points in 2013; half of \$6.4B cut in federal spending for 2013 will come from defense discretionary spending, 35% from non-defense discretionary spending 15% from mandatory spending. The effects of sequestration will arrive in two waves. First, budget cuts will be felt directly through cuts in military and defense spending, reductions in education spending and STEM research; and indirectly through reductions in government contracts to the private sector, layoffs, furloughs and reductions in disposable income. High education areas like Washington DC, Northern Virginia, Maryland, Colorado and New York will be disproportionately impacted.

Here's the detail.

	Less than high school	High school	Some college	Associate's degree	Bachelor's degree	Graduate degrees	Total
Sales and Office Support	6,520	52,490	43,340	23,020	36,810	6,380	168,550
STEM	1,110	10,340	12,880	13,060	60,630	40,760	138,790
Blue Collar	25,600	63,560	23,590	14,020	9,940	1,730	138,440
Managerial and Professional Office	1,650	16,130	16,390	11,320	56,420	28,810	130,720
Food and Personal Services	8,910	32,710	25,980	16,440	23,850	4,590	112,470
Healthcare practitioners and Technical	150	1,300	1,770	5,300	7,010	6,490	22,020
Community Services and Arts	210	1,700	2,130	1,660	8,280	5,430	19,410
Education	40	600	700	490	3,530	4,290	9,660
Healthcare support	470	2,010	1,820	1,140	610	120	6,160
Total	44,650	180,840	128,590	86,460	207,080	98,600	746,220

Source: Author's estimates based Current Population Survey (CPS), 2012 and Fuller, Stephen S. and Chmura Economics & Analytics, *The Economic Impact of the Budget Control Act of 2011 on DOD and Non-DOD Agencies*, Aerospace Industries Association, July 17, 2012

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The Georgetown University Center on Education and the Workforce is an independent, nonprofit research and policy institute that studies the link between individual goals, education and training curricula, and career pathways. The Georgetown Center is affiliated with the Georgetown McCourt School of Public Policy. For more information, visit: cew.georgetown.edu. Follow us on Twitter [@GeorgetownCEW](https://twitter.com/GeorgetownCEW), [LinkedIn](#) and [Facebook](#).