



BEWARE THE SUMMER SURGE IN COLLEGE UNEMPLOYMENT

Study Finds Rush of Recent College Graduates Increases Unemployment and Obscures the Value of College Degrees

(Washington, D.C., August 13, 2013) – Nearly every summer, the influx of college graduates into the job market causes a bump in the unemployment rate and reawakens the debate regarding the value of college education. What is often overlooked in this discussion is that unemployment among recent college graduates has a strong seasonal component:

- Most college graduates complete their degrees in May or June and enter the labor force in the summer.
- In 2013, the number of new Bachelor's degree graduates entering the labor market was 1.7 million.
- Each summer, these new college graduates annually increase the number of young (ages 22-26) Bachelor's degree holders in the labor force by about 17 percent.
- As a result, unemployment of recent graduates increases by about 1 percentage point during the summer months compared to the average annual unemployment rate.
- Following the summer spike, college unemployment typically declines in the fall.

Average annual unemployment rates, which are not prone to seasonal variation, show that while unemployment among recent college graduates increased during the recession, recent college graduates still have lower unemployment rates than the workforce overall and substantially lower unemployment rates than their less-educated peers.

- The annual unemployment rate among recent Bachelor's degree graduates grew from 3.8 percent in 2007 to 7.5 percent in 2010, before falling to 6 percent in 2012 as the economy began to recover.
- By comparison, the annual national unemployment rate reached the peak of 9.6 percent in 2010 before declining to 8.1 percent in 2012.
- Following the recession, in 2010, the annual unemployment rate peaked at 11.1 percent for young adults (ages 22-26) with some college or an Associate's degree, 16.8 percent for those with high school diploma, and 24.4 percent for high school dropouts, compared to 7.5 percent for recent college graduates with a Bachelor's degree.

Moreover, if the recovery holds, there will be another 19.4 million job openings for people with four-year college degrees over the next 10 years: 10.7 million brand new jobs for college graduates and 8.7 million job openings created by the retirement of baby-boomers. This study confirms recent college graduates can feel a little more optimistic about their prospects as the recovery continues.

The report includes recommendations for college students who are getting ready to graduate. The *Summer in College Unemployment: Why It Happens and What You Can Do About It* is available online at <http://cew.georgetown.edu/summerunemployment>.

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