



## IT STILL PAYS TO EARN A COLLEGE DEGREE BUT NOT ALL COLLEGE DEGREES ARE CREATED EQUAL

*Study confirms recent college graduates continue bearing most of the risk*

(Washington, D.C., May 29, 2013) – Although a college degree gives job seekers a formidable advantage over those without, this update confirms a harsh reality: not all degrees are created equal. Choice of major determines likelihood of unemployment. For instance, the unemployment rate for recent college graduates in nursing was the lowest at 4.8 percent, while recent graduates in information systems, concentrated in clerical functions, were the hardest hit with an unemployment rate of 14.7 percent.

Overall unemployment rates for college graduates with work experience hover around 4.6–4.7 percent. But the overall unemployment rate for recent college graduates is higher at 7.9 percent.

- Even as the housing bubble seems to be dissipating, unemployment rates for recent architecture graduates have remained high (12.8%). Graduate degrees and work experience did not shield these graduates from a sector-specific shock; graduates with experience in the field have the same jobless rates as the economy overall (9.3%).
- Unemployment is generally higher for non-technical majors, such as the arts (9.8%) or law and public policy (9.2%).
- People who make technology are still better off than people who use technology. Unemployment rates for recent graduates in information systems, concentrated in clerical functions, is high (14.7%) compared with mathematics (5.9%) and computer science (8.7%).
- Unemployment rates are relatively low for recent graduates in education (5.0%), engineering (7.0%), health and the sciences (4.8%) because they are tied to stable or growing industry sectors and occupations.
- Graduates in psychology and social work also have relatively low rates (8.8%) because almost half of them work in healthcare or education sectors.

The Georgetown study confirms that a college education still pays off in an economy recovering from recession. Earnings, however, also depend on what employed college graduates took. Median earnings among recent college graduates range from \$54,000 for engineering majors to \$30,000 for arts; psychology and social work; and life and physical sciences. The highest paying majors continue to be in engineering.

Are graduate degrees still worth it? The overall unemployment rate for people with graduate degrees is 3.3 percent, ranging from a low 2.3 percent for people who obtained a degree in language and drama education and also obtained a graduate degree to a high 6.9 percent for people who obtained a degree in architecture and also obtained a graduate degree.\* With the exception of arts and education, where pay is traditionally low, workers with graduate degrees average between \$60,000 and \$100,000 per year.

Not all graduate degrees outperform all bachelor's degrees on employment. For example, experienced college graduates in healthcare have lower unemployment rates than people with graduate degrees in almost every other field except life and physical sciences.

\*The bachelor's degree and the graduate degree are not necessarily in the same field.

The full update: *Hard Times, College Majors, Unemployment and Earnings 2013: Not All College Degrees Are Created Equal* is available online at <http://cew.georgetown.edu/unemployment2013>.

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