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NEW REPORT FINDS U.S. HAS BEEN UNDERPRODUCING COLLEGE-EDUCATED WORKERS FOR THIRTY YEARS

Report Calls for 20 Million Additional Graduates to Meet Demand.

(Washington, D.C., June 27, 2011) –A new study by the Georgetown University Center on Education and the Workforce confirms that over the past 30 years, the demand for college-educated workers has outpaced supply, resulting in economic output below potential and growing income inequality. The current recession and grudging recovery hides the fact that we are under-producing college graduates. “The data is clear,” said Anthony P. Carnevale, the Center’s director and co-author of the report, “the demand for college-educated workers is growing much faster than the supply. In recession and recovery, we remain fixated on the high school jobs that are lost and not coming back. We are hurtling into a future dominated by college-level jobs unprepared.”

Using an economic growth model pioneered by noted labor economists, the study finds that if we are to make up for lost ground in postsecondary attainment and respond to future economic requirements, we will need to add an additional **20 million postsecondary-educated workers** to the economy by 2025. This includes 15 million new Bachelor’s degree holders, 4 million workers with non-degree postsecondary credentials, and 1 million workers with an Associate’s degree. In the new report, *The Undereducated American*, the Center demonstrates that adding these workers will boost GDP by \$500 billion, add over \$100 billion in additional tax revenues, and stop and begin to reverse the growth of income inequality. Many of these additional graduates could come from the half a million students per year who graduate in the top half of their high school class but do not go on to college.

The problem is not just economic. According to co-author Stephen J. Rose, a senior economist at the Center, “As a result of our failure to keep up with the demand for college-educated workers, we have lost our number one global position in college graduates and become the number one industrialized nation in income inequality.”

Should we do nothing, the report finds, income inequality will only get worse. The disparity between the wages of college-educated workers and high school-educated workers will jump from 74% to 96% if we do nothing. If we add 20 million postsecondary-educated workers, wages for all groups will rise—wages for those with a high school diploma will rise 24%, wages for those with an Associate’s degree will rise by 15%, and wages for Bachelor’s educated workers will rise by 6%.

Adding 20 million college-educated workers would mean that we would reach the President’s goal of being number one in the world in terms of degree attainment among the workforce. By 2025, 60% of American youth

would have an Associate's or a Bachelor's degree, making the United States first in terms of degree attainment world-wide.

The Undereducated American is available online at <http://cew.georgetown.edu/undereducated>. There are two documents: a full report and an executive summary. The Georgetown University Center on Education and the Workforce (cew.georgetown.edu) is an independent, nonprofit research and policy institute that studies the link between individual goals, education and training curricula and career pathways.

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