

## How Many College Graduates Are Really Underemployed? The Answer Is Not as Clear as It Seems, Georgetown University Report Says

*High underemployment estimates overlook the bachelor's degree earnings premium and educational diversity within occupations.*

(Washington, DC, February 19, 2026) Recent college graduates are facing a bumpy landing in the labor market. Some are struggling not only to secure their first jobs after college, but to land jobs that require them to use their degrees—with many workers experiencing underemployment, a phenomenon that occurs when workers possess more education or skills than their jobs require. But while underemployment among college graduates is concerning, how pervasive is it? With published estimates ranging from 25% to 52%, it's hard to gauge the scope of the problem. A new report from the Georgetown University Center on Education and the Workforce (CEW) sheds light on the difficulty of measuring underemployment and underscores the need for a common approach.

*Rethinking Underemployment: Are College Graduates Using Their Degrees?* examines three methodological approaches to measuring underemployment and considers how educational diversity within occupations and the bachelor's degree earnings premium affect estimates. Similar to a number of previous analyses on the topic, the report begins with an analysis of underemployment based on the US Bureau of Labor Statistics' (BLS) "typical education needed for entry" occupational assignments. According to this approach, workers employed in occupations that require less education for entry than they possess are classified as underemployed. While entry-level education assignments are a useful starting point for measuring underemployment, relying solely on these assignments to define underemployment excludes some important considerations.

"Estimates that rely only on BLS entry-level education assignments are misleadingly high, as they fail to account for actual hiring patterns and employer preferences in the labor market. For example, 27% of occupations categorized as high school level by BLS employ more prime-age workers (ages 25–54) with a bachelor's degree than with a high school diploma. It is difficult to imagine that all these workers are underemployed," said lead author and CEW Director Jeff Strohl. "To account for differences between BLS entry-level assignments and observed hiring patterns, we employed a realized matches approach that categorizes occupations as bachelor's degree-level or high school-level based on the educational attainment of workers employed within them."

CEW researchers employed two variations of the realized matches approach. The first classifies an occupation as bachelor's degree level if a majority of workers employed in that occupation hold a bachelor's degree or higher. The second classifies an occupation as bachelor's degree level if the plurality of workers in that occupation have a bachelor's degree. Both approaches lead to lower estimates of underemployment than using only BLS entry-level assignments —32% of prime-age full-time, full-year workers are underemployed using the majority realized matches approach, compared with 24% using the plurality realized matches approach. In comparison, the BLS entry-level assignments alone yield a higher underemployment rate of 37% among prime-age full-time, full-year workers.

