

**Underemployment for College Graduates Drops from over 10 Percent to 6 Percent,
According to New Georgetown University Research**

College degree reduces racial differences in underemployment from 10 to 2 percentage points

(Washington, D.C. November 30, 2015) Five years into the jobs recovery, the underemployment rate for college graduates has declined from more than 10 percent to 6.2 percent, according to research from the Georgetown University Center on Education and the Workforce (Georgetown Center). *Sharp Declines in Underemployment for College Graduates* reveals that underemployment for college graduates has been substantially lower than underemployment for less-educated workers throughout the recession and recovery.

The report focuses on underemployment as opposed to the commonly-reported unemployment rate. Both measure economic distress, but underemployment also includes workers in part-time jobs who would prefer to have a full-time job as well as workers who have stopped actively seeking a job after a long bout of unemployment.

The analysis shows that underemployment has been lowest for Bachelor's and graduate degree-holders throughout the recession and recovery. Currently, the underemployment rate for Bachelor's degree-holders is 6.2 percent, and 4.2 percent for graduate degree-holders. By comparison, the underemployment rate for high school graduates is 13 percent and 19 percent for high school dropouts.

The researchers also found strong relationships in underemployment levels by race/ethnicity and the educational attainment levels. For high school graduates, African Americans had the highest underemployment rate at 17.9 percent, followed by Hispanics at 12.4 percent and whites at 9 percent – almost 9 percentage points difference at most. For workers with graduate degrees, however, the margins between the racial/ethnic groups were markedly slimmer with Hispanics at 6.1 percent, African Americans at 6 percent and whites at 3.8 percent.

“More and more, a college degree is becoming a ticket out of the underemployment line,” said Anthony P. Carnevale, director of the Georgetown Center. “It’s also clear that education is a pathway to reducing racial inequalities.”

The report’s other findings include:

- Whites have the lowest level of underemployment at 7.9 percent, compared to 12.6 percent for Hispanics and 16.8 percent for African Americans.
- The overall underemployment rate is 9.8 percent. It is 8.9 percent for men and 11.1 percent for women.
- The underemployment rate for men with sub-baccalaureate credentials fell (by 51%) much more sharply than similarly-educated women (by 29%).
- Women with graduate degrees made the fastest recovery (fell by 51%) compared to all other women with lower education levels, (fell by 35% for high school dropouts).

The full article, *Sharp Declines in Underemployment for College Graduates*, is available at cew.georgetown.edu/underemployment.

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