

1 in 2 new graduates are jobless or underemployed



In this photo taken Thursday, April 19, 2012, barista Michael Bledsoe smiles as he chats with a visitor in the coffee shop where he works in Seattle. The college class of 2012 is in for a rude welcome to the world of work. A weak labor market already has left half of young college grads either jobless or underemployed in positions that don't fully use their skills and knowledge. (AP Photo/Elaine Thompson)

By Hope Yen

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WASHINGTON—The college class of 2012 is in for a rude welcome to the world of work.

A weak labor market already has left half of young college graduates either jobless or underemployed in positions that don't fully use their skills and knowledge.

Young adults with bachelor's degrees are increasingly scraping by in lower-wage jobs -- waiter or waitress, bartender, retail clerk or receptionist, for example -- and that's confounding their hopes a degree would pay off despite higher tuition and mounting student loans.

An analysis of government data conducted for The Associated Press lays bare the highly uneven prospects for holders of bachelor's degrees.

Opportunities for college graduates vary widely.

While there's strong demand in science, education and health fields, arts and humanities flounder. Median wages for those with bachelor's degrees are down from 2000, hit by technological changes that are eliminating midlevel jobs such as bank tellers. Most future job openings are projected to be in lower-

skilled positions such as home health aides, who can provide personalized attention as the U.S. population ages.

Taking underemployment into consideration, the job prospects for bachelor's degree holders fell last year to the lowest level in more than a decade.

"I don't even know what I'm looking for," says Michael Bledsoe, who described months of fruitless job searches as he served customers at a Seattle coffeehouse. The 23-year-old graduated in 2010 with a creative writing degree.

Initially hopeful that his college education would create opportunities, Bledsoe languished for three months before finally taking a job as a barista, a position he has held for the last two years. In the beginning he sent three or four resumes day. But, Bledsoe said, employers questioned his lack of experience or the practical worth of his major. Now he sends a resume once every two weeks or so.

Bledsoe, currently making just above minimum wage, says he got financial help from his parents to help pay off student loans. He is now mulling whether to go to graduate school, seeing few other options to advance his career. "There is not much out there, it seems," he said.

His situation highlights a widening but little-discussed labor problem. Perhaps more than ever, the choices that young adults make earlier in life -- level of schooling, academic field and training, where to attend college, how to pay for it -- are having long-lasting financial impact.

"You can make more money on average if you go to college, but it's not true for everybody," says Harvard economist Richard Freeman, noting the growing risk of a debt bubble with total U.S. student loan debt surpassing \$1 trillion. "If you're not sure what you're going to be doing, it probably bodes well to take some job, if you can get one, and get a sense first of what you want from college."

Andrew Sum, director of the Center for Labor Market Studies at Northeastern University who analyzed the numbers, said many people with a bachelor's degree face a double whammy of rising tuition and poor job outcomes. "Simply put, we're failing kids coming out of college," he said, emphasizing that when it comes to jobs, a college major can make all the difference. "We're going to need a lot better job growth and connections to the labor market, otherwise college debt will grow."

By region, the Mountain West was most likely to have young college graduates jobless or underemployed -- roughly 3 in 5. It was followed by the more rural southeastern U.S., including Alabama, Kentucky, Mississippi and Tennessee. The Pacific region, including Alaska, California, Hawaii, Oregon and Washington, also was high on the list.

On the other end of the scale, the southern U.S., anchored by Texas, was most likely to have young college graduates in higher-skill jobs.

The figures are based on an analysis of 2011 Current Population Survey data by Northeastern University researchers and supplemented with material from Paul Harrington, an economist at Drexel University, and the Economic Policy Institute, a Washington think tank. They rely on Labor Department assessments

of the level of education required to do the job in 900-plus U.S. occupations, which were used to calculate the shares of young adults with bachelor's degrees who were "underemployed."

About 1.5 million, or 53.6 percent, of bachelor's degree-holders under the age of 25 last year were jobless or underemployed, the highest share in at least 11 years. In 2000, the share was at a low of 41 percent, before the dot-com bust erased job gains for college graduates in the telecommunications and IT fields.

Out of the 1.5 million who languished in the job market, about half were underemployed, an increase from the previous year.

Broken down by occupation, young college graduates were heavily represented in jobs that require a high school diploma or less.

In the last year, they were more likely to be employed as waiters, waitresses, bartenders and food-service helpers than as engineers, physicists, chemists and mathematicians combined (100,000 versus 90,000). There were more working in office-related jobs such as receptionist or payroll clerk than in all computer professional jobs (163,000 versus 100,000). More also were employed as cashiers, retail clerks and customer representatives than engineers (125,000 versus 80,000).

According to government projections released last month, only three of the 30 occupations with the largest projected number of job openings by 2020 will require a bachelor's degree or higher to fill the position -- teachers, college professors and accountants. Most job openings are in professions such as retail sales, fast food and truck driving, jobs which aren't easily replaced by computers.

College graduates who majored in zoology, anthropology, philosophy, art history and humanities were among the least likely to find jobs appropriate to their education level; those with nursing, teaching, accounting or computer science degrees were among the most likely.

In Nevada, where unemployment is the highest in the nation, Class of 2012 college seniors recently expressed feelings ranging from anxiety and fear to cautious optimism about what lies ahead.

With the state's economy languishing in an extended housing bust, a lot of young graduates have shown up at job placement centers in tears. Many have been squeezed out of jobs by more experienced workers, job counselors said, and are now having to explain to prospective employers the time gaps in their resumes.

"It's kind of scary," said Cameron Bawden, 22, who is graduating from the University of Nevada-Las Vegas in December with a business degree. His family has warned him for years about the job market, so he has been building his resume by working part time on the Las Vegas Strip as a food runner and doing a marketing internship with a local airline.

Bawden said his friends who have graduated are either unemployed or working along the Vegas Strip in service jobs that don't require degrees. "There are so few jobs and it's a small city," he said. "It's all about who you know."

Any job gains are going mostly to workers at the top and bottom of the wage scale, at the expense of middle-income jobs commonly held by bachelor's degree holders. By some studies, up to 95 percent of positions lost during the economic recovery occurred in middle-income occupations such as bank tellers, the type of job not expected to return in a more high-tech age.

David Neumark, an economist at the University of California-Irvine, said a bachelor's degree can have benefits that aren't fully reflected in the government's labor data. He said even for lower-skilled jobs such as waitress or cashier, employers tend to value bachelor's degree-holders more highly than high-school graduates, paying them more for the same work and offering promotions.

In addition, U.S. workers increasingly may need to consider their position in a global economy, where they must compete with educated foreign-born residents for jobs. Longer-term government projections also may fail to consider "degree inflation," a growing ubiquity of bachelor's degrees that could make them more commonplace in lower-wage jobs but inadequate for higher-wage ones.

That future may be now for Kelman Edwards Jr., 24, of Murfreesboro, Tenn., who is waiting to see the returns on his college education.

After earning a biology degree last May, the only job he could find was as a construction worker for five months before he quit to focus on finding a job in his academic field. He applied for positions in laboratories but was told they were looking for people with specialized certifications.

"I thought that me having a biology degree was a gold ticket for me getting into places, but every other job wants you to have previous history in the field," he said. Edwards, who has about \$5,500 in student debt, recently met with a career counselor at Middle Tennessee State University. The counselor's main advice: Pursue further education.

"Everyone is always telling you, 'Go to college,'" Edwards said. "But when you graduate, it's kind of an empty cliff."

Associated Press writers Manuel Valdes in Seattle; Travis Loller in Nashville, Tenn.; Cristina Silva in Las Vegas; and Sandra Chereb in Carson City, Nev., contributed to this report. ■