

IDEAS

The Myth of the Unemployed College Grad

A bachelor's degree continues to be a great investment. Why do the media keep suggesting otherwise?


By Kevin Carey



Illustration by Matteo Giuseppe Pani. Source: Getty.

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Perhaps no puzzle has consumed the American media more in the past few months than the chasm between official measures of the economy and how average people feel about it. Inflation is down, and wages are up—yet voters remain gloomy. Young people are, at least by some measures, the most pessimistic. They think the economy is bad and getting worse. Why? The answer has major implications, not least on the outcome of the next presidential election. You can't blame the media for being so eager to figure it out. But pundits and reporters might want to look harder at their own penchant for writing stories that make the economy look worse for young people than it really is, including, above all, by incorrectly declaring that college diplomas aren't what they used to be.

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A recent *Washington Post* [story](#), “New College Grads Are More Likely to Be Unemployed in Today’s Job Market,” typifies the trend. It begins with a recent graduate named Lucas Chung forlornly sitting in his childhood bedroom. He has moved back home, because he hasn’t yet found a good job. “I had high hopes but it’s not really working out for me,” Chung says. “I’m feeling a little desperate.” Chung is supposed to represent what the *Post* calls “a sharp reversal from long-held norms” in which college graduates get a boost in the job market. Historically, the unemployment rate for new college graduates has been lower than the overall average. But in recent months, it has been higher, according to an analysis of September data by the Federal Reserve Bank of New York. This, the *Post* story concludes, has created “another

disruption for a generation of college graduates who have already had crucial years of schooling upended by the pandemic.”

That sounds bad, particularly given how much money students borrow for college. But a closer inspection of the numbers reveals that the so-called sharp reversal isn't sharp, and is barely a reversal. The new-graduate and all-worker unemployment rates have been moving pretty much in lockstep, within a percentage point of each other, for the past 10 years. As of September, the unemployment rate for recent college graduates (defined as those aged 22 to 27) was 4.4 percent, compared with 5.6 percent in December 2013. That's consistent with the long-term trend of a job market that has been improving for more than a decade and recovered quickly after the coronavirus pandemic. The all-worker rate was only 0.8 percentage points lower, at 3.6 percent.

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Nor are recent graduates looking for jobs being “disrupted.” Yes, Americans are feeling real pain from lingering high prices, especially for food and housing. But that isn't a challenge specific to young degree-holders. As the *Post* article itself explains—more than halfway through—the issue is not that graduates are doing worse; it's that the job market for workers without degrees has been so extraordinary.

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The article makes more sense when understood as part of a long-running subgenre of economic journalism, which I first wrote about in 2011. For half a century, the *Post*, *The New York Times*, and others have been feeding the anxieties of their well-educated readership by publishing stories about a crisis among recent college graduates. The precise details may evolve, but the formula is remarkably durable: Find some recent grads working humble jobs, quote them on how their lives are failing to live up to their aspirations, and cite an expert warning that this could be the new normal. “After generations during which going to college was assumed to be a sure route to the better life, college-educated Americans are losing their economic advantage.” Sound familiar? Those words were published on the front page of the *Times* in 1975.

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The big-picture numbers tell a very different story: College graduates are more likely to have jobs, become wealthy, be healthy, get married, stay married, and be on the right side of virtually any measure of prosperity and stability one can name. We can even see the enduring value of college in the lives of the very people the *Post* and the *Times* chose to portray the struggles of betrayed and despairing collegians—people such as Benjamin Shore, whom the *Times* found in 2011 sitting in “a windowless room in a Baltimore row house,” where he’d moved because his parents were charging rent on his childhood bedroom. At the time, Shore “made beans and rice at home and drove slowly to save gas.” Today, he is employed as a surgeon, and he can presumably afford a more varied diet. Other characters have followed similar arcs: A lowly administrative assistant in 2011 is now the vice president of sales at a business-finance company. A former waitress in Weehawken, New Jersey, who was then “earning \$2.17 an hour plus tips,” was most recently a senior manager of legal and business affairs at a

digital-banking firm, according to LinkedIn. Both are testaments to the enduring value of college degrees.

Sarah Dunn, née Weinstein, was photographed by the *Times* tending bar, a classic job for the dramatically underemployed. She has since gotten married, started a family, and launched a successful digital-design career. Now she manages a team of designers in the Austin, Texas, technology sector—people roughly in the career position she was in 12 years ago. Her experience gave her empathy for the next generation. “Making the transition from college to the workforce is hard no matter how the job prospects are,” she told me.

That is sage advice. But the fact remains that those transitions are usually a success. There’s even a positive story buried in the latest *Post* article. “I always just expected that you’d go to school, get your degree and end up working some sort of office job that pays enough to live,” a 25-year-old man tells the reporter. “That’s the way it worked for my dad and my brother, who’s 10 years older than me. But that doesn’t seem possible anymore.” But wait: If the older brother is 35 years old, then he was born in 1988, which means he probably graduated from college in 2009 or 2010, the absolute depths of a global economic catastrophe. Yet everything apparently worked out just fine for him.

Shore, Dunn, the older brother, and millions like them ended up in stable professional careers because there’s a huge difference between short-term and long-term prospects for college graduates. In that difference lies the true value of a college degree. A diploma means that, after some time in the workforce, you’ll be qualified to be promoted into management—VP of this or senior director of that. And it allows you to pursue the graduate and professional degrees that are required for many of the highest-paying jobs. In the long run, college graduates are most likely to marry other college graduates, forming financially stable households that are more able to buy homes. They cluster together in financially vibrant metropolitan areas, giving them the most access to new partners, capital, and jobs. College degrees are still very valuable, which is why colleges have been able to relentlessly bid up their price.

David Deming: The college backlash is going too far

But the gloomy counternarrative that college is no longer worth it won't go away. This can have real-world consequences by contributing to the impression that the American economy is in bad shape. (That impression has many causes, of course, most notably the lingering effects of inflation; media narratives are one influence among many.) Young voters were President Joe Biden's biggest supporters in 2020. If they buy into an unjustifiably dour vision of their future, it could tip the election in Donald Trump's favor. Alarmist rhetoric can also lead to bad choices at both the individual and policy levels. Enrollment in the humanities has been steadily declining as students look to hedge their financial risk by choosing job-focused majors instead. Faced with budget woes and stagnant enrollment, West Virginia University recently decided to eliminate dozens of supposedly impractical degree programs, including in art, music, and foreign language. And yet, a Georgetown University study found that although liberal-arts-college graduates make less money than other college students in the first 10 years after college, they make substantially *more* after 40 years. The vocationalization of higher education risks creating a society where the long-term personal and economic benefits of the humanities are reserved for the wealthy few.

None of this means that life is free and easy for recent college graduates. Average statistics are just that—averages. A degree has never been a guarantee of anything. But leaving college during a hot labor market, even if it's *also* good for less educated workers, is immensely superior to graduating into the aftermath of a recession. Sarah Dunn remembers a New York City firm offering her \$28,000 a year for an entry-level job in advertising during the mid-2010s, even though by then she had a graduate

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