



Metropolitan Policy Program

at BROOKINGS

The new Brookings report on education and employment is available at:

http://www.brookings.edu/papers/2010/1105_metro_america_education_berube.aspx

Contact: John Fairbanks, 202.797.6087 or jfairbanks@brookings.edu
Rachel Harvey, 202.797.6073 or rharvey@brookings.edu

EDUCATED PEOPLE, EDUCATED PLACES HANDLE RECESSION BETTER

New Brookings report shows college graduates suffer fewer job losses

WASHINGTON, DC—The Great Recession has caused massive unemployment across the country, but college degrees have been insurance policies against job loss for both people and places, according to a new Brookings Institution report.

“The Great Recession has struck broadly, but not evenly,” said Brookings Senior Fellow Alan Berube, co-author of the report. “Highly educated workers, and the metro areas with the highest concentrations of those workers, have suffered fewer job losses on average.

“These data also remind us that our efforts to help unemployed workers cannot be one-size-fits-all,” Berube said. “It’s important to have the flexibility to respond to differences in labor markets.”

“Degrees of Separation: Education, Employment, and the Great Recession in Metropolitan America,” released today, uses data from the Census Bureau’s American Community Survey (ACS) to analyze employment between 2007 and 2009 for adults with different levels of education in America’s 100 largest metropolitan areas and finds:

- **Workers with college degrees did not experience employment declines as steep as workers without degrees**—The share of all prime working-age adults in jobs fell by two percentage points between 2007 and 2009 for workers without a bachelor’s degree, while it fell by only half a percentage point for those with college degrees.
- **Metro areas with highly-educated workforces saw more modest declines in employment**—In 16 of the 20 metro areas with the highest rates of bachelor’s degree attainment, overall employment levels fell by less than the national average. Workers without high school diplomas who lived in these areas fared better than average, too.
- **Education and location both mattered for employment**—Workers without a high school diploma bore the brunt of the recession in the Sunbelt and older industrial areas of the Northeast and Midwest. By contrast, workers with college degrees were most affected in markets such as New York, Minneapolis, and Los Angeles.

-more-

- **Several metros saw a “hollowing out” of their workforce**—In 10 metro areas, including Philadelphia, Toledo, Salt Lake City, and Seattle, employment was stable for workers with high and low levels of education, but declined for those with at least a high school diploma, but less than a four-year college degree.

“Different parts of the country are now facing very different employment challenges,” Berube observed. “San Antonio and San Jose can’t adopt the same strategies for helping their displaced workers back into the labor market, because those workers start from very different education and skills levels.”

The report recommends that national and state policies to help workers get back on their feet must be tailored to the recent experiences and future potential of specific metropolitan job markets. Policies understandably prioritize assistance for workers with lower education levels, since they have less of a financial cushion and a more limited range of job prospects. However, regions in which middle- and high-skilled workers bore the brunt of the recession may need more specialized types of assistance to rekindle employment growth.

The Metropolitan Policy Program at Brookings *provides decision-makers with cutting-edge research and policy ideas for improving the health and prosperity of metropolitan areas, including their component cities, suburbs, and rural areas. To learn more, please visit: www.brookings.edu/metro.*

-END-