



By Age 35, Workers With a Bachelor's Degree or Higher Are Almost Twice as Likely as Workers With Only a High School Diploma to Have a Good Job, Georgetown University Report Says

The pathway to adult economic independence differs by race, class, and gender, compounding inequality in good jobs and wealth accumulation

(Washington, DC, May 19, 2022) As postsecondary education has become more valuable in the labor market, the pathway to a good job has become longer and more challenging for young adults to navigate. The majority of older baby boomers were able to latch onto good jobs in their mid-20s, but most older millennials did not reach this threshold until their early 30s, according to two new reports from the Georgetown University Center on Education and the Workforce (CEW) on *The Uncertain Pathway from Youth to a Good Job*, both funded by a philanthropy investment from JPMorgan Chase. One report, *How Limits to Educational Affordability, Work-Based Learning, and Career Counseling Impede Progress toward Good Jobs*, explores how the pathway from youth to adult economic independence has changed across generations. The second report, *How Racial and Gender Bias Impede Progress toward Good Jobs*, examines persistent opportunity gaps among demographic groups.

Only young workers with a bachelor's degree or higher are consistently more likely than those in the previous generation to have a good job—one that pays at least \$35,000 per year and \$57,000 at the median for young workers (ages 25 to 35) nationwide. Among older millennials in the labor force, 80% of those with a bachelor's degree or higher had a good job at age 35, compared with 56% of those with some college or an associate's degree, 42% of those with only a high school diploma, and 26% of those with less than a high school diploma.

“College costs have risen dramatically just as postsecondary education has become key to finding a good job,” lead report author and CEW Director Anthony P. Carnevale said. “We need to improve access to college, work-based learning programs, and career counseling for young people.”

To secure a good job, young adults need to acquire more education and high-quality work experience than was necessary for previous generations. However, since 1980, the annual cost of attendance at four-year institutions has roughly tripled, reaching nearly \$30,000 in recent years. And, although work-based learning has the potential to improve young people's transitions into the workforce, few young adults (31%) have completed a work-based learning program. Finally, students are not able to make fully informed decisions about their educational and career pathways without sufficient career and guidance counseling, but the student-to-counselor ratio remains too high. There are almost 70% more students per counselor than the recommended level.

The slow journey to good jobs has long-term consequences for young people's economic well-being, including delayed marriage, childbirth, independent living, and homeownership. As a result of the longer transition and higher educational debt, young adults accumulate less wealth than the previous generation; households led by 35-year-olds have less than two-thirds of the net worth that similar households held 20 years earlier. Furthermore, the share of young households with educational debt and the median debt among those households have risen substantially in past decades. Black/African American women are most likely to take out student loans and hold the most student loan debt among major race/ethnicity and

gender groups, which contributes to tremendous racial wealth gaps. The median net worth of young White men with no more than a high school diploma is more than 2.5 times that of young Black women with a bachelor's degree or higher.

“There are consequences to the delayed transition to good jobs,” said Artem Gulish, report author and CEW senior policy strategist and research faculty. “For many young adults, not having a good job means not being able to buy a house, not being able to pay back their student loans, and not having sufficient financial security to pursue their aspirations while facing life's inevitable mishaps.”

Persistent racial/ethnic equity gaps in educational attainment lay the groundwork for equity gaps in the likelihood of attaining a good job. Young White workers are more likely than young Black/African American workers or young Hispanic/Latino workers to have a good job, which was also the case for the earlier generation. In fact, it takes Black/African American workers until their mid-30s to have roughly the same chances of having a good job as White workers have by their mid-20s. And young Hispanic/Latino workers do not have the same chances even in their mid-30s as young White workers have in their mid-20s.

Gender gaps also persist despite widespread generational changes in women's educational attainment. Even though young women are more likely to have good jobs than women in the earlier generation, they are still substantially less likely than young men to have good jobs. These gaps have not closed even though young women have higher levels of postsecondary education than young men. At every education level, young women are less likely to have a good job than young men within the same racial/ethnic group. When race and gender disparities are combined, the gaps in the likelihood of having a good job are even more striking. Young Hispanic/Latina and Native Hawaiian/Pacific Islander women are half as likely to have a good job as young White and Asian/Asian American men.

“Disparities in educational attainment play a bigger role in economic inequality than in the past, but equity gaps by race and gender persist even among young workers at the same education level,” said Kathryn Peltier Campbell, report author and CEW associate director of editorial policy and senior editor/writer.

“Young people are our next generation of leaders, yet too many, especially from underrepresented communities, don't have access to the career experiences they need to obtain meaningful employment opportunities,” said Monique Baptiste, head of Jobs & Skills Global Philanthropy for JPMorgan Chase. “As the findings from these reports demonstrate, work-based learning and education are key differentiators in future success for young people. This research will help inform new strategies to address these disparities and identify ways to reconnect young people with the resources and experiences they need to better prepare them for the opportunities of tomorrow.”

Factors including academic major, occupation, and working full time also influence workers' likelihood of having a good job and contribute to equity gaps in the workforce. Among young workers with a bachelor's degree or higher, those who majored in science, technology, engineering, and mathematics (STEM) are most likely (78%) to have good jobs, while young workers who majored in arts, liberal arts, and humanities are least likely (59%) to have good jobs. At the same time, across education levels, young workers in STEM occupations are most likely (83%) to have a good job, while young workers in healthcare support and food and personal services are least likely (22%) to have a good job. Working full time increases the chances of having a good job: 60% of young full-time workers have a good job, compared with 10% of part-time workers.

To view the executive summary and two full reports, including seven recommendations for comprehensive reform, visit cew.georgetown.edu/pathway.

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