

We Got More Educated, We Are Better Off... Right?

An Exploration of Factors Influencing the Conversion of BA Attainment into a Better Labor Market

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Individual Benefits of Attainment

Anthony Carnevale (2011):

“The main lesson from a down job market?
Stay in school. As long as you can.”



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Return of Dual Labor Market Theory

- Acemoglu (1988) proposes the idea of skills biased technological change
- Goldin and Katz (2008) document increasing wage disparity linked to educational attainment and ability to use technology



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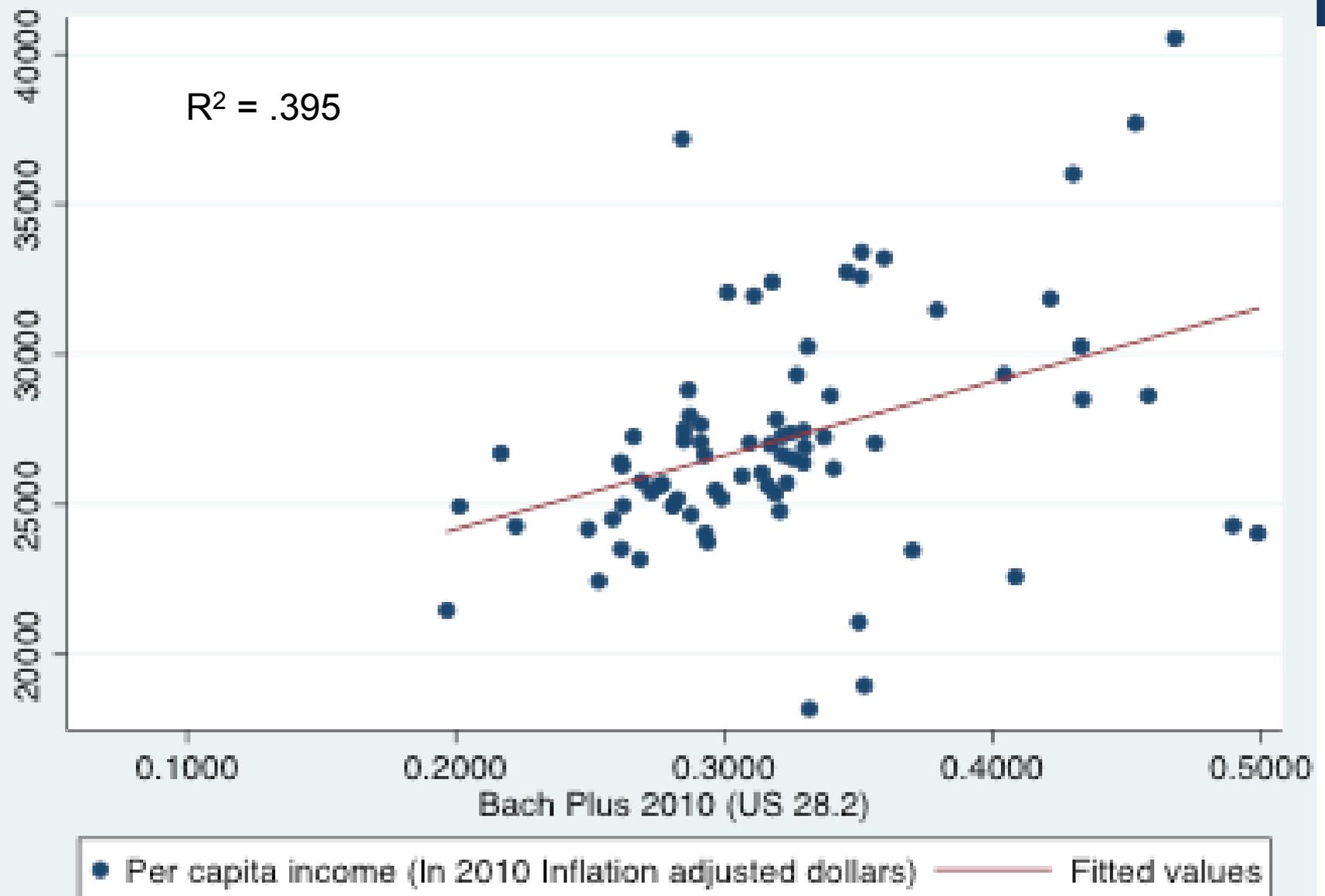
Regional Change

- Educational attainment is often one of the important correlates of positive economic outcomes (Glaeser and others).
- Wide variation in training requirements region to region – lack of degree attainment is strongest explainer of structural unemployment (Rothwell 2012)

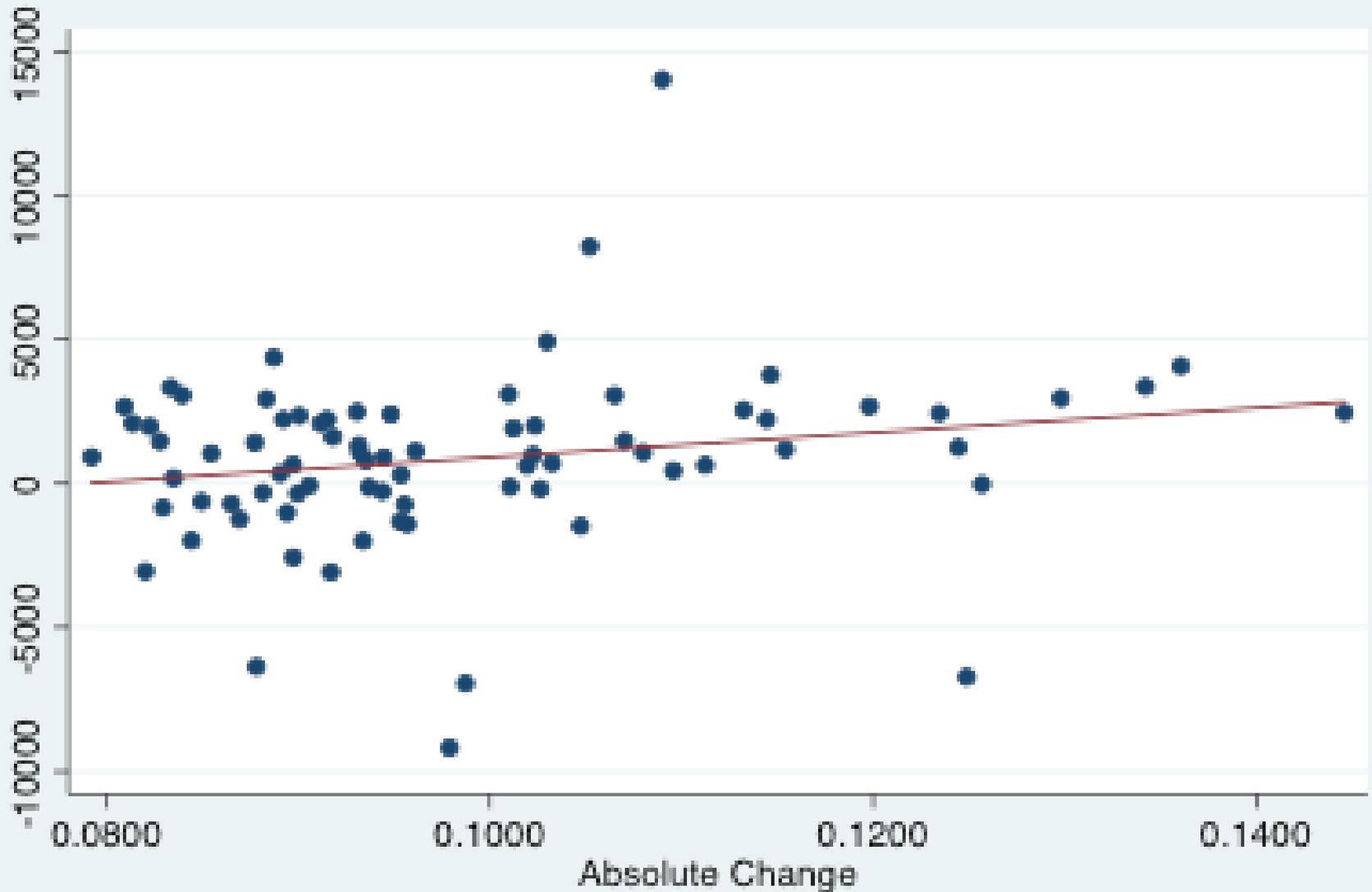


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2010 Ed. Attainment and 2010 PCI



Change in Ed Attainment and PCI, 1990 - 2010



● PCI Change Adjusted Relative to US — Fitted values

Unanswered Questions

Under what conditions does increased degree attainment lead to positive outcomes -- increases in per capita income and labor force participation, and decreases in poverty and unemployment -- across the regional labor market?

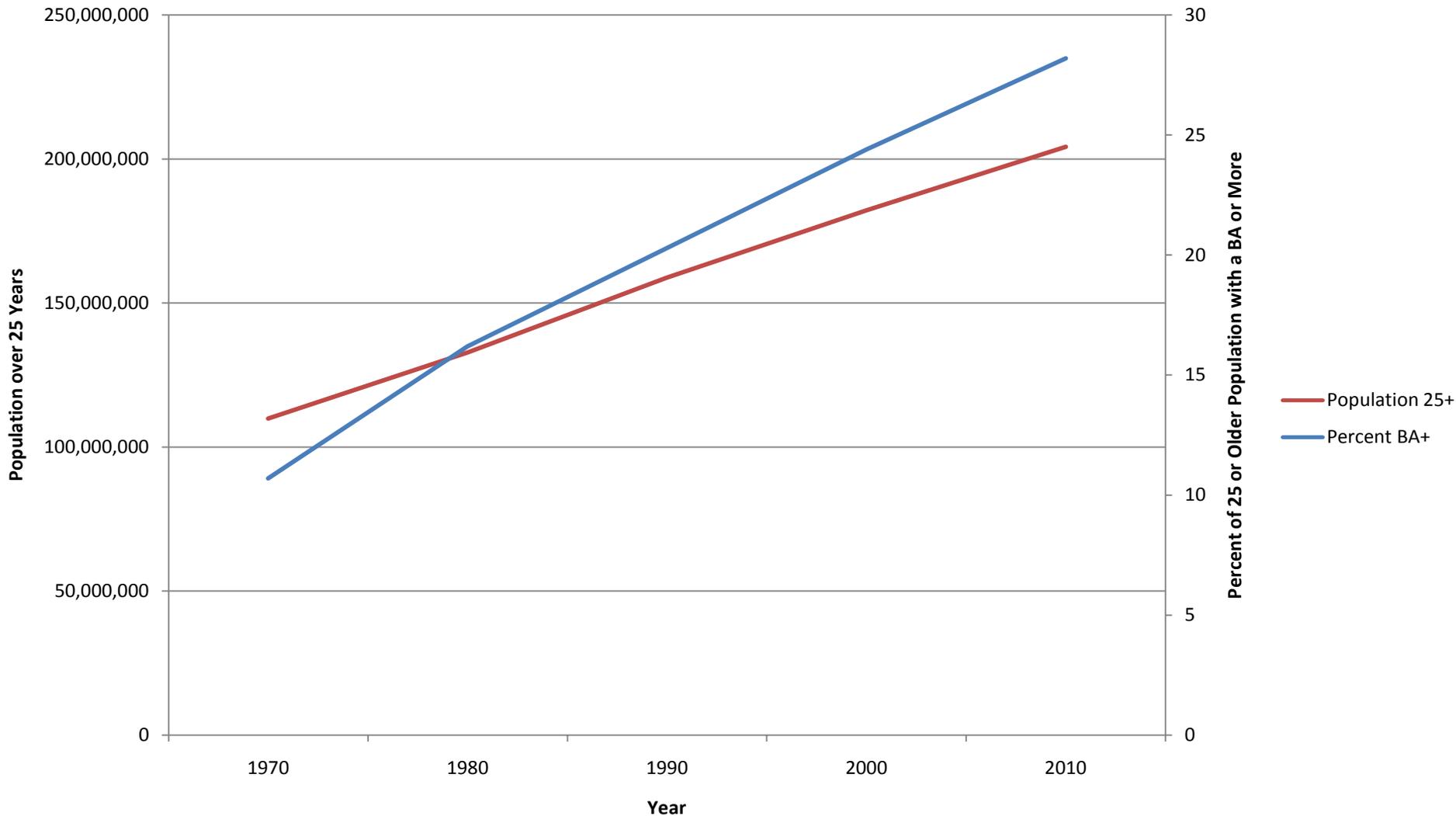


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Trends and Change in BA Attainment between 1990-2010



Change in Working Population with a BA or Higher



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Leaders and Laggards (1990-2010)

Leading Metro Areas	Lagging Metro Areas
San Jose, CA (14.46%)	Iowa City, IA (1.58%)
Manchester, NH (13.61%)	Yuma, AZ (1.44%)
Fort Collins, CO (13.42%)	Victoria, TX (1.40%)
Charleston, SC (12.98%)	Beaumont, TX (1.27%)
Charlotte, NC (12.57%)	Salinas, CA (1.24%)
San Francisco Bay, CA (12.49%)	Terre Haute, IN (1.22%)
Columbia, MO (12.45%)	Lebanon, PA (1.06%)
Boston, MA (12.35%)	Monroe, LA (0.80%)
Johnson City, TN (11.98%)	Oxford, AL (0.57%)
Bloomington, IL (11.46%)	Bangor, ME (0.37%)
Lawrence, KS (11.45%)	Merced, CA (0.33%)
Dubuque, IA (11.32%)	Abilene, TX (0.16%)



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Leaders, Laggards, and the Left Out

- National educational attainment increased from 20.3% in 1990 to 28.2% in 2010 (7.9% increase)
- 78 Leaders
 - 15 Sunbelt, “New Economy” Regions
 - 25 “University Driven” Regions
 - 28 Post-industrial regions
 - 10 “Other”
- 195 laggards
- 10 Losers



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Summary

- The United States has begun a successful transition to the 21st century economy and produced large numbers of BA holding workers
- Regional growth appears to be only partially a function of national growth
- “Leader” regions come in many different forms



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Outcome Measures

- Of the 78 Leaders, did they:
 - Increase their relative per capita income?
 - Increase relative labor force participation?
 - Decrease relative unemployment?
 - Decrease relative poverty?



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Results Are Mixed

Four of Four	Three of Four	Two of Four	One of Four	None
21 metros	13 metros	17 metros	15 metros	12 metros

Potential Explanations

- Spatial dispersal, residential segregation
- Strong demand that is able to absorb gains
- High civic participation
- Strong anchor institutions
- Links between place based policies and workforce development
- Growth in skills biased industries

Next steps: Cluster-Discriminant Analysis (developed by Hill and Brennan) to identify outcomes and drivers



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Cluster – Discriminant Analysis

- What type of success (or challenge) do these regions have in common?
 - For example, there is a group of successful income increasing regions
- What are the ties that bind the regions together and drive success?
 - For example what role does residential segregation play?



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Main Points

- Increased educational attainment is key for national economic competitiveness and individual life opportunity, evidence is less clear at the regional level.
- Change in educational attainment is uneven across regions.
- Increasing BA attainment does not improve the labor market *per se*. Talent attraction and retention programs must be leavened to address middle skills and low skills job opportunities as well.



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Questions?

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