

Why are adult skills important?

- About 87% of people with high levels of literacy have a job.
- A highly literate tertiary graduate earns, on average, about 45% more than a similarly educated adult with a low literacy level.
- More than 20% of adults whose parents have a tertiary education are highly literate.
- The proportion of younger adults who are highly literate is, on average, about 10 percentage points higher than that of older adults in OECD countries.

Significance

The way we live and work has changed profoundly – and so has the set of skills we need to participate fully in and benefit from our hyper-connected societies and increasingly knowledge-based economies. Governments need a clear picture not only of how labour markets and economies are changing, but also of the extent to which their citizens are acquiring the skills needed in the 21st century. This is particularly important for people with low skill levels as they face a much greater risk of poverty, unemployment and poor health. The Survey of Adult Skills, a product of the OECD Programme for the International Assessment of Adult Competencies (PIAAC), looks at the availability of some of these key skills in society and how they are used at work and at home. It covers 24 countries, and measures literacy, numeracy and proficiency in problem solving in technology-rich environments.

This section draws on the Survey of Adult Skills and other OECD data to show how well the supply of people with certain education qualifications and basic skills matches the demands of the labour market.

Findings

In all countries, the proportion of adults with a high level of skills is largest for tertiary-educated adults. In Australia, Finland, Japan, the Netherlands and Sweden, more than 30% of tertiary-educated adults are highly literate. Parents' education also has an effect on adult skills; on average, most highly literate people have at least one parent with tertiary education. At the other end of the scale, only about 5% of adults whose parents did not complete upper secondary education are highly literate.

Younger adults are, on average, more literate than older adults. In Finland, Japan and the Netherlands the difference between the proportion of highly literate younger adults and the proportion of older adults with the same literacy level is over 20 percentage points.

Higher skill levels are associated with higher employment rates in almost all countries where information is available. In Estonia, Flanders (Belgium), Germany, the Netherlands,

Norway and Sweden, at least 90% of high-skilled people are employed. The Survey of Adult Skills also shows that people with lower skill levels are more likely to be jobless. However, in most countries there is still a large pool of skilled adults that is not being tapped.

Highly skilled people also tend to earn more than others with the same education level. On average, highly literate people earn about 65% more than people with a low level of literacy, for all levels of education. This varies among countries, with differences in returns ranging from less than 50% in Denmark, Finland, Italy, the Russian Federation and Sweden, to over 100% in the United States.

Definitions

High levels in adult skills refer to people scoring at Level 4 or 5 in the PIAAC assessment. Low levels in adult skills refer to people scoring at Level 1 or below. See OECD (2013), *OECD Skills Outlook 2013: First Results from the Survey of Adult Skills*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264204256-en> for more information.

Data on population, educational attainment and labour-market status for most countries are taken from OECD and Eurostat databases, which are compiled from National Labour Force Surveys. Data on earnings are taken from a special data collection carried out by the OECD LSO Network on the earnings of those working full time and full year. Data on skill proficiency levels and mean scores are based on the Survey of Adult Skills (PIAAC) 2012.

Information on data for Israel:
<http://dx.doi.org/10.1787/888932315602>.

Going further

For additional material, notes and a full explanation of sourcing and methodologies, see *Education at a Glance 2014* (Indicators A1, A4, A5, A6).

Areas covered include:

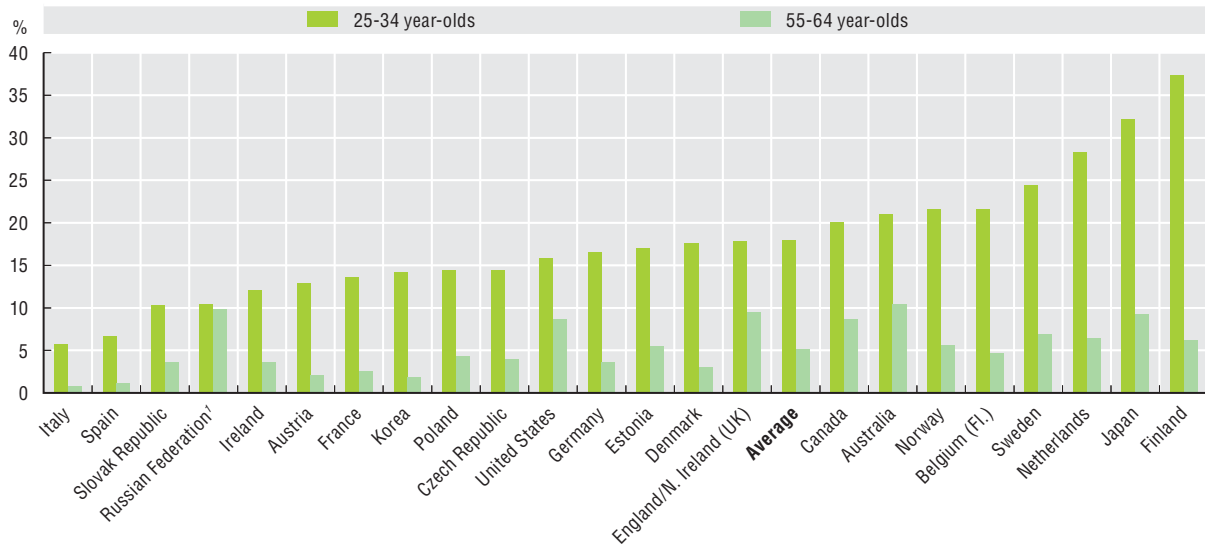
- Adult skills by educational attainment.
- Labour market outcomes, and literacy and numeracy skills.
- Earnings and literacy skills.

Further reading from OECD

OECD Skills Studies (series).

Figure 6.1. **Percentage of younger and older adults with high literacy levels, 2012**

This figure shows the percentage of 25-34 and 55-64 year-olds who perform at the highest literacy levels.

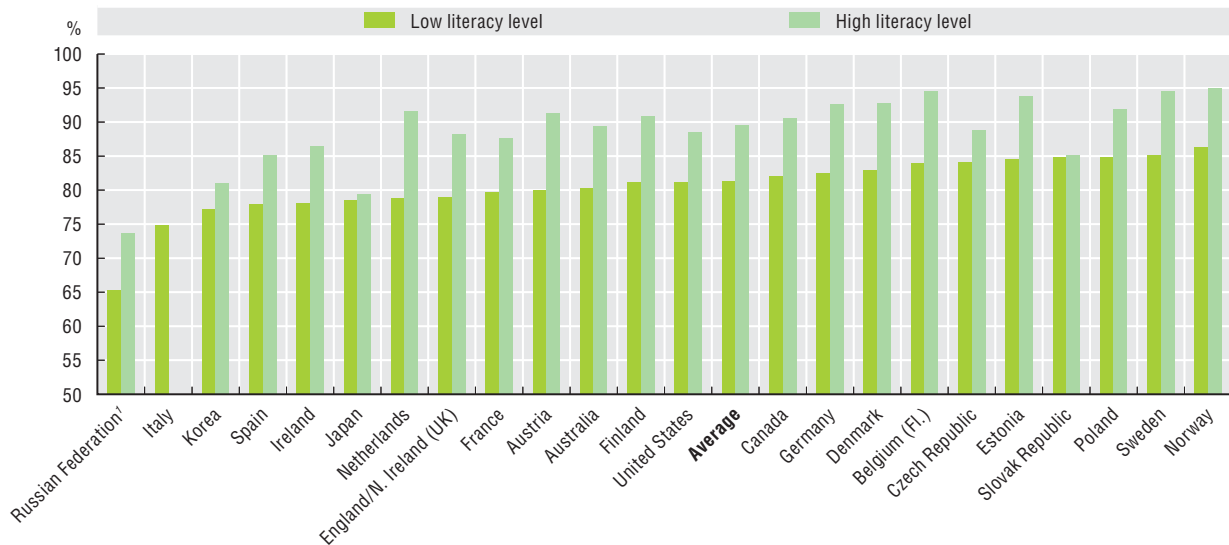


1. Data do not include Moscow municipal area.

Source: OECD (2014), Education at a Glance 2014, Chart A1.6, available at <http://dx.doi.org/10.1787/888933115046>.

Figure 6.2. **Employment rate of 25-64 year-olds, by literacy level, 2012**

This figure shows the percentage of 25-64 year-olds with high literacy levels who have a job compared to those with low literacy levels.



1. Data do not include Moscow municipal area.

Source: OECD (2014), Education at a Glance 2014, Chart A5.4, available at <http://dx.doi.org/10.1787/888933116015>.



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