

3. THE ECONOMIC AND SOCIAL BENEFITS OF EDUCATION

How does education affect employment rates?

- Across OECD countries, people with a tertiary education are more likely to have a job, and to be working full-time, than those without.
- Unemployment rates are nearly three times higher among people who do not have an upper secondary education (13% on average across OECD countries) than among those who have a tertiary education (5%).
- People with at least an upper secondary education are more likely to have a job than those without this level of education.
- Men generally have higher employment rates than women, although the gap is narrowest among tertiary-educated individuals and widest among those without an upper secondary education.

Significance

This section examines the relationship between education and working life. OECD countries depend upon a sufficient supply of well-educated workers to promote economic development. Data on employment and unemployment rates thus carry important information for policy makers about how well the supply of skills matches demand. These data also help governments better understand how economies may evolve in the coming years and help them ensure that the students of today are better prepared for the jobs of tomorrow.

Findings

Education has a substantial impact on employment prospects. On average across OECD countries, over 80% of the population with tertiary education is employed. The OECD average falls to over 70% for people with upper secondary or post-secondary non-tertiary education and to less than 60% for those without an upper secondary education. The probability of working full time also increases with the level of education. Some 64% of people with below upper secondary education work full time, compared with 75% of people with a tertiary education.

Differences in employment rates between tertiary-educated individuals and those with lower secondary education are particularly large in the Czech Republic, Hungary, Poland, the Slovak Republic, Slovenia and the United Kingdom, where they amount to 40 percentage points or more. Across all OECD countries and education levels, the employment rate of women is far below that of men at all levels of education: only 65% of women are employed compared with 80% of men. Although the gender gap narrows as educational attainment increases, the employment rate among tertiary-educated women across OECD countries is still considerably lower than that of men – despite the fact that in 2011 a slightly higher proportion of women (33%) than men (30%) in OECD countries had received a tertiary education.

Across OECD countries, individuals with a vocationally oriented upper secondary education are more likely to be employed (76%) than those who have a general upper secondary degree (70%). They are also less likely to be unemployed (7.4%) than those with a general upper secondary degree (8.4%).

Trends

Education is generally good insurance against unemployment, even in difficult economic times. Over the past 15 years, employment rates for men and women with tertiary education have consistently been higher than for those without. Conversely, unemployment rates among lower-educated men and women have been higher than among those with tertiary education. The economic crisis only widened these gaps. People without an upper secondary or post-secondary non-tertiary education were hit hardest: between 2008 and 2011 the unemployment rate among them increased by almost 4 percentage points, from 8.8% to 12.6%.

Definitions

The employment rate refers to the number of persons in employment as a percentage of the population of working age. The unemployment rate refers to unemployed persons as a percentage of the labour force. The unemployed are defined as people without work but actively seeking employment and currently available to start work. The employed are defined as those who work for pay or profit for at least one hour a week, or who have a job but are temporarily not at work due to illness, leave or industrial action.

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 2013* (Indicator A5).

Areas covered include:

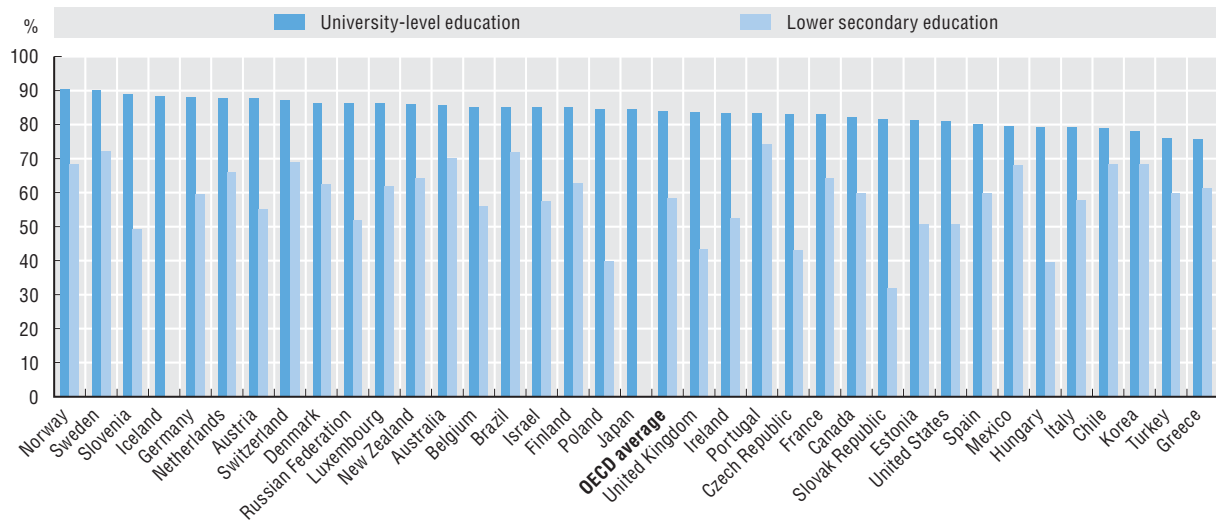
- Trends in employment and unemployment rates, by gender and educational attainment.
- Employment rates of individuals with vocational and general education.
- Part-time and involuntary part-time work.

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Figure 3.3. **Employment rate of 25-64 year-olds, by education level, 2011**

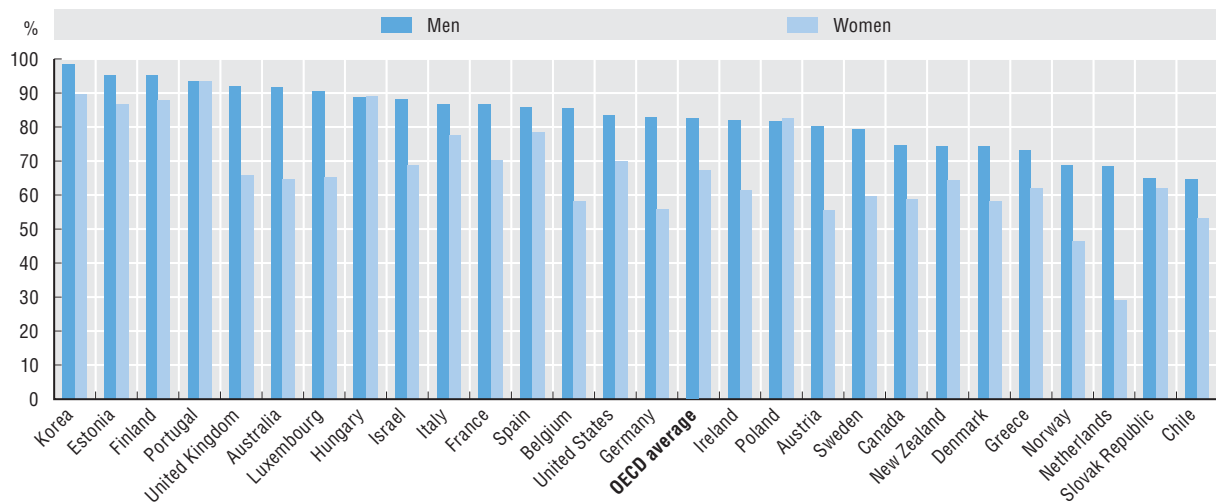
This figure shows the differences in employment rates of people according to their educational attainment.



Source: OECD (2013), Education at a Glance 2013, Chart A5.1 at <http://dx.doi.org/10.1787/888932846481>.

Figure 3.4. **Employment rate of 25-64 year-olds with tertiary education, by gender, 2011**

This figure shows the differences in full-time employment rates of men and women with higher levels of educational attainment.



Source: OECD (2013), Education at a Glance 2013, Table A5.6 at <http://dx.doi.org/10.1787/888932848837>.



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