

3. THE ECONOMIC AND SOCIAL BENEFITS OF EDUCATION

How does education affect employment rates?

- People with a tertiary education in OECD countries are more likely to have a job, and to be working full-time, than those without.
- Unemployment rates are higher among people who do not have an upper secondary education (14% 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.
- The employment rate is considerably higher among men (80%) than among women (65%), 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 and skilled workers to promote economic development. Educational qualifications are frequently used to measure human capital and the level of an individual's skills. In most OECD countries people with high qualifications have the highest employment rates and people with the lowest educational qualifications are at greater risk of being unemployed.

Findings

Education has a substantial impact on employment prospects. On average among 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 employed adults with below upper secondary education work full time, compared with 74% of the employed with a tertiary education.

Differences in employment rates between tertiary-educated individuals and those with below upper secondary education are particularly large in Austria, Belgium, the Czech Republic, Estonia, Germany, Hungary, Ireland, Israel, Poland, the Russian Federation, the Slovak Republic and Slovenia where they amount to at least 30 percentage points. 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 is still considerably lower than that of men – despite the fact that in 2012 a slightly

higher proportion of women (34%) than men (31%) in OECD countries had received a tertiary education.

Individuals with a vocationally-oriented upper secondary or post-secondary education in OECD countries are more likely to be employed (75%) than those who have a general upper secondary degree (70%). They are also less likely to be unemployed (8%) than those with a general upper secondary degree (9%).

Trends

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. Overall, younger adults struggle the most, and unemployment rates are highest among those who have only below upper secondary education. In 2012, about 20% of young adults in OECD countries were unemployed, the highest rate registered in more than a decade.

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 2014* (Indicator A5).

Areas covered include:

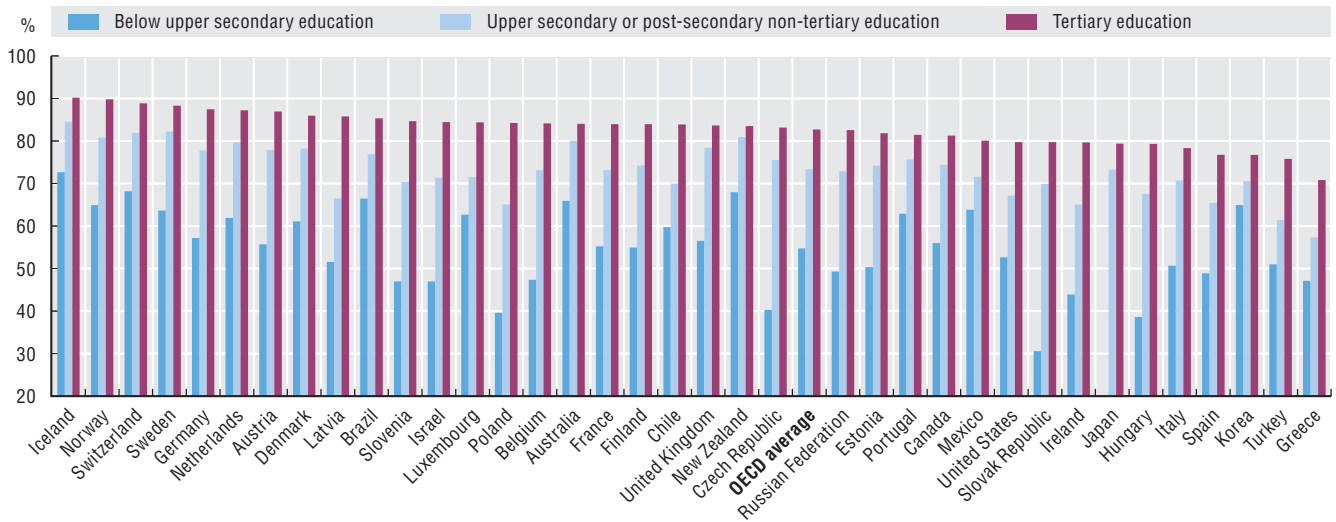
- Trends in employment and unemployment rates, by gender, age and educational attainment.
- Employment rates of individuals with vocational and general education.
- Part-time and involuntary part-time work.

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Figure 3.1. **Employment rate of 25-64 year-olds, by education level, 2012**

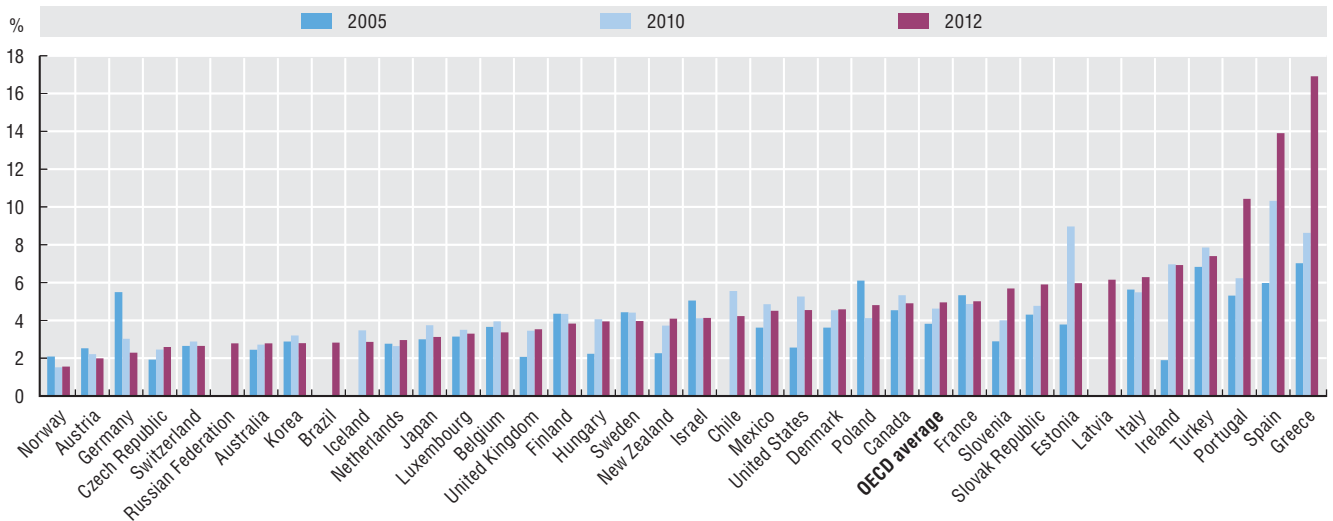
This figure shows the employment rates of people according to their education levels.



Source: OECD (2014), Education at a Glance 2014, Chart A5.1 at <http://dx.doi.org/10.1787/888933115958>.

Figure 3.2. **Unemployment rates among 25-64 year-olds with tertiary education (2005, 2010 and 2012)**

This figure shows the unemployment rates among 25-64 year-olds.



Source: OECD (2014), Education at a Glance 2014, Chart A5.2 at <http://dx.doi.org/10.1787/888933115977>.



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