

## More HS Students Are Graduating, but These Key Indicators Prove Those Diplomas Are Worth Less Than Ever

Last October, in perhaps the final triumphant moment of his administration, President Obama announced that America's soaring high school graduation rate had risen, again, to an all-time high of 83 percent. Before he took office, the percentage of students earning diplomas languished for decades in the low to mid-70s; now the news was made still better by some narrowing of the persistent gaps between white and minority students.

Whether the progress could be attributed to Obama's policies or broader trends (some academics have credited diminished teen pregnancy rates and falling levels of child lead exposure), it was undoubtedly cause for celebration.

Just a few months later, after an election that left much of Obama's legacy in doubt, disheartening stories have also swirled around his signature educational achievements. In rapid succession, state officials in both Alabama and Tennessee admitted that their much-improved graduation rates were artificially lifted through a combination of administrative oversight and statistical legerdemain. Both cases recall other recent episodes in which major jurisdictions juiced reports and loosened standards in order to make their results more palatable. Dropouts were made to disappear from the records. Students in alternative programs were left out of the count. Others were waved through even after failing exit exams.

Yet there is an even greater cause for concern than inflated statistics: However legitimate the surge in graduation rates — and almost no one contends that they are wholly fictive — the relative value of a high school diploma, as measured by income, college preparedness, jobless rates, and employer confidence, has never been lower.

American schools may have taken praiseworthy strides in helping their students to the K-12 finish line, but there is little reason to believe that they have prepared them any more meaningfully for the challenges ahead.

### College or bust

"I wouldn't assume that more high school diplomas awarded equals a more career-ready workforce," says Jason Tyszko, the executive director of the U.S. Chamber of Commerce's Center for Education and Workforce.

Tyszko works with businesses around the country to develop pipelines of human capital through education and job training programs. As *The New York Times* detailed in a January article, some of these companies struggle to fill even well-paying positions that require no college degree. A glaring absence of technical know-how — due in part to the decline of vocational education programs — hurts both the employer and the job seeker.

"You can up your completion rates for high school, but not increase the number of students who are proficient in reading and math and ready to go on to the workforce," Tyszko says. "The opacity of those credentials — a high school diploma or even, frankly, a bachelor's degree — is causing a lot of consternation in the business community.

"There just isn't a lot of confidence in what somebody knows or is able to do, or if they're able to perform a job."

That lapse of confidence is demonstrated in labor market outcomes. In a 2016 survey conducted by CareerBuilder, 37 percent of employers said that they were hiring college graduates for jobs that used to be filled primarily by applicants who only finished high school. And the median weekly earnings for a high school graduate in 2014 were \$668, a drop of nearly 12 percent since 1979.

High school earnings are now hovering close to the median for dropouts and teenagers — \$638 — when Jimmy Carter was in office. Meanwhile, those who have attained bachelor's degrees make \$1,193, nearly 80 percent more.

The compound effect of these disparities is colossal. According to a 2011 report by Georgetown's Center on Education and the Workforce, the median college graduate now earns almost a million dollars more than the median high school graduate over the course of their respective careers.

In an interview, that paper's co-author and the director of the center, Anthony Carnevale, told the now-familiar story of American deindustrialization and the rise of the knowledge economy. "In the 1970s, 70 percent of American workers either had high school or were high school dropouts, and most of them were in the middle class. Well, that's not true anymore," he said. "We still live in a world where maybe 20 percent of high school males who don't go on to post-secondary [education] can get a decent job in what's left of the blue-collar economy. But most everybody else has to go on to post-secondary."

But the trends aren't auspicious. Between 2008 and 2013, overall enrollment rates at both two- and four-year institutions fell by 2.7 percent. Among low-income students, the drop was a far larger 10.4 percent, despite growing awareness of the benefits of a college education. Today, even with the Great Recession's most severe effects fading, the unemployment rate for high school graduates (5.9 percent) is more than twice the rate for college graduates (2.5 percent).

Article continues at <http://bit.ly/2nY1yP3>

UNEMPLOYMENT

Region	February 2016	January 2017	February 2017	Percentage Point Change	
				1 month	12 months
San José MSA	4.0%	3.7%	3.6%	- 0.1	- 0.4
San Francisco MD	3.2%	3.1%	2.9%	- 0.2	- 0.3
California	5.8%	5.5%	5.2%	- 0.3	- 0.6
United States	5.2%	5.1%	4.9%	- 0.2	- 0.3

INDUSTRY EMPLOYMENT

Sector — February 2017 data	San Jose MSA	San Francisco MD	Combined Region	Percentage Change (Combined Region)	
				1 month	12 months
<b>Total Nonfarm</b>	<b>1,072,200</b>	<b>1,101,200</b>	<b>2,173,400</b>	<b>+ 0.3%</b>	<b>+ 2.1%</b>
Construction	46,400	40,400	86,800	- 0.2%	+ 3.8%
Manufacturing	162,800	37,500	200,300	+ 0.4%	+ 0.7%
Retail Trade	84,600	80,500	165,100	- 2.3%	- 1.3%
Information	75,400	70,300	145,700	- 0.7%	+ 4.1%
Professional & Business Services	225,300	270,700	496,000	0.0%	+ 1.4%
Educational Services	46,100	29,200	75,300	+ 5.6%	+ 1.3%
Health Care & Social Services	119,000	106,600	225,600	+ 0.6%	+ 3.1%
Hospitality & Leisure	100,800	138,900	239,700	+ 2.6%	+ 3.0%
Government	96,200	129,300	225,500	0.0%	+ 2.2%

NOTE: San José MSA (San José-Sunnyvale-Santa Clara Metropolitan Statistical Area) = Santa Clara and San Benito Counties  
 San Francisco MD (San Francisco-Redwood City-South San Francisco Metropolitan Division) = San Mateo and San Francisco Counties

Source: California Employment Development Department, LMID

LABOR FORCE & ANNUAL CHANGE

Labor Force by Metropolitan Statistical Area (U.S. High-Tech Regions)

	LABOR FORCE			UNEMPLOYMENT			UNEMPLOYMENT RATE		
	February 2016	February 2017	Change	February 2016	February 2017	Change	February 2016	February 2017	Change
United States	158,279,000	159,482,000	+ 0.8%	8,219,000	7,887,000	- 4.0%	5.2%	4.9%	- 0.3
California	19,041,291	19,120,600	+ 0.4%	1,096,284	1,000,300	- 8.8%	5.8%	5.2%	- 0.6
San Diego, CA	1,566,700	1,566,200	- 0.0%	75,400	66,500	- 11.8	4.8%	4.2%	- 0.6
San Francisco, CA	1,002,100	1,009,000	+ 0.7%	32,400	29,500	- 9.0%	3.2%	2.9%	- 0.3
San Jose, CA	1,050,800	1,051,300	+ 0.0%	42,000	37,900	- 9.8%	4.0%	3.6%	- 0.4
Austin, TX	1,096,302	1,128,784	+ 3.0%	34,437	41,659	+ 21.0%	3.1%	3.7%	+ 0.6
Boston, MA	2,639,999	2,687,717	+ 1.8%	106,430	98,982	- 7.0%	4.0%	3.7%	- 0.3
New York City, NY	4,174,600	4,186,500	+ 0.3%	234,500	199,500	- 14.9%	5.6%	4.8%	- 0.8
Seattle, WA	1,603,700	1,647,100	+ 2.7%	70,300	58,100	- 17.4%	4.4%	3.5%	- 0.9

NOTE: Totals may not add correctly due to rounding

Source: California Employment Development Department, LMID

REGIONAL LAYOFF ACTIVITY

February 2017 Events

Company	Location	# Affected
Blue Coat Systems	Sunnyvale	27
Intel Corporation	Santa Clara	54
Quixey	Mountain View	48
Space Systems Loral	Palo Alto	161
SunEdison, Inc.	Belmont	3
Symantec Corporation	Mountain View	87

**Total 380**

WARN SUMMARY

Events YTD <sup>†</sup> :	70
Individuals Affected YTD:	4,725
Individuals Previous YTD <sup>‡</sup> :	4,000

\* **WARN: Worker Adjustment and Retraining Notification** (notice of mass layoff or closure)  
<sup>†</sup> **YTD: Year to Date** (Program year: July 1–June 30)  
<sup>‡</sup> **Previous YTD:** (Program year: July 1–June 30 same timeframe, one year prior)

NOTE: Layoff data are preliminary and should be considered an estimate of monthly regional activity

Source: NOVA's internal Rapid Response database