



The Relationship Between Educational Attainment and Labor Force Status in Illinois

(January 2018)

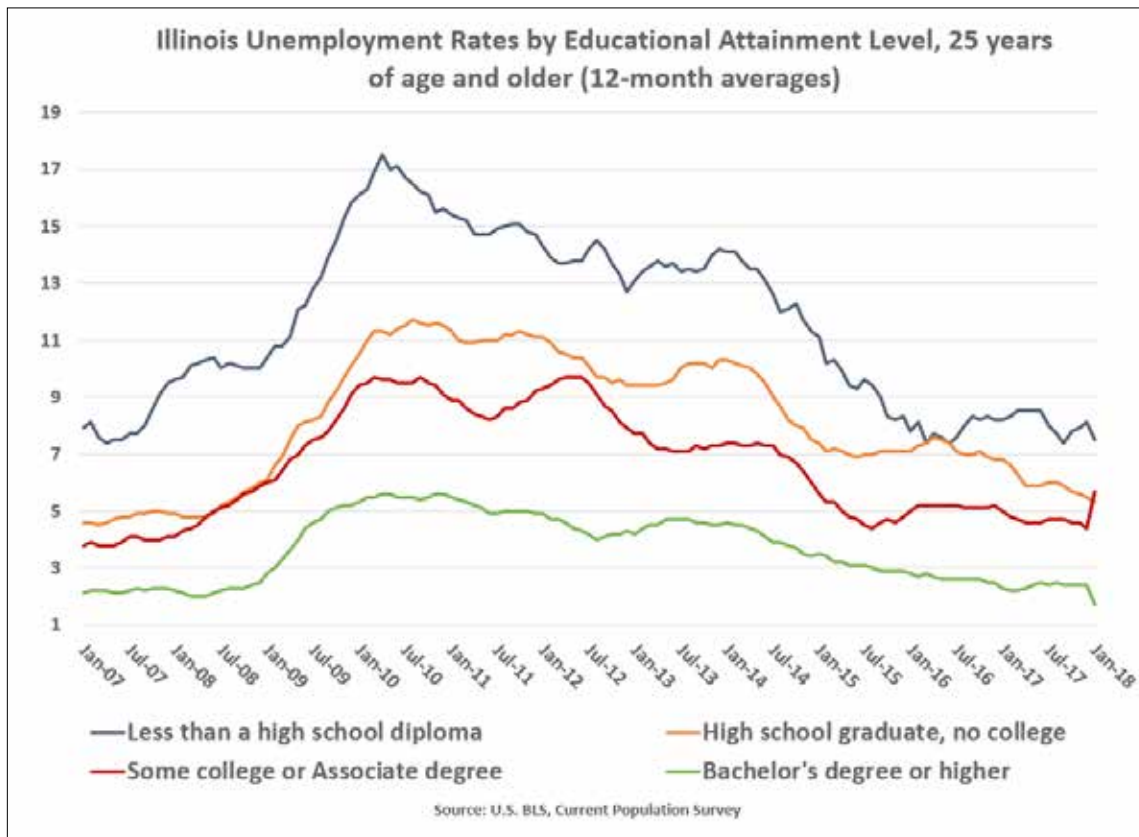
The monthly national labor force statistics released each month by the U.S. Bureau of Labor Statistics (BLS) include a wide range of demographic and economic characteristics. However, until recently, labor force characteristics for Illinois and other states were only available on annual basis. As part of our special topic series, the Illinois Department of Employment Security, will be releasing more current labor force characteristics for Illinois using 12-month moving average estimates from the Current Population Survey (CPS) developed by the U.S. BLS.

One of the labor force characteristics that we will release each month is educational attainment level for the non-institutional population, 25 years of age and older. Educational attainment is collapsed into four groups including: less than a high school diploma; high school graduate, no college; some college or associate degree; and bachelor's degree or higher.

The key findings from our analysis of educational attainment levels and labor force, employment and unemployment status are shown below, using 12-month moving average estimates starting in 2007 through 2017. A report including the average estimates depicted in the charts below will be updated each month and found [here](#). In addition, you can find a glossary of terms and concepts used in the CPS [here](#).

Unemployment Rates by Educational Attainment Level

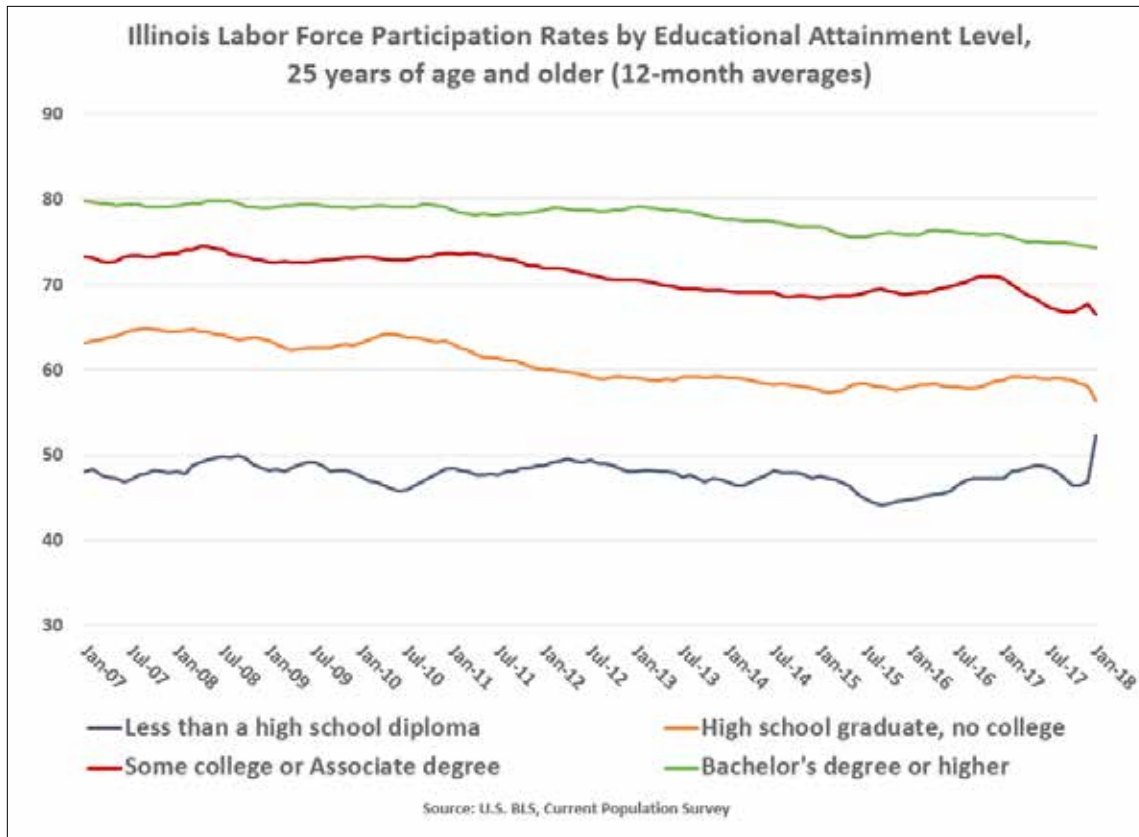
The chart below shows 12-month moving average unemployment rates by educational attainment level.



- As would be expected, there is an inverse relationship between unemployment rates and educational attainment; the higher the level of educational attainment, the lower the unemployment rate. The average unemployment rates among the lowest three educational attainment levels converged at various times during the past decade but only temporarily.
- Illinois residents with less than a high school diploma not only had the highest average unemployment rate among all educational attainment levels, but also saw the largest unemployment rate increase during the 2007-2009 recession, rising 9.6 points or from 7.5 percent in January 2007 to 17.5 percent in April 2010. As of September 2017, the unemployment rate for this group had fallen to pre-recession levels.
- High school graduates, with no college, saw their average unemployment rate increase from 4.6 percent in early 2007 to a peak level of 11.7 percent in August 2010. As of November 2017, the average unemployment rate for this educational attainment group had fallen below 6.0 percent but remained above pre-recession levels.
- Those with some college or associate degree saw their average unemployment rate increase from a low of 3.8 percent in May 2007 to a high of 9.7 percent in September 2010. After dropping to nearly 8.0 percent in 2011, the unemployment rate for this group rose again to 9.7 percent in mid-2012. However, after 2012, the unemployment declined steadily, falling to below 5.0 percent in 2015. As of November 2017, the average unemployment rate those with some college or associate degree was 4.6 percent, or above pre-recession levels.
- The unemployment rate for those with a bachelor's degree or higher more rose from just 2.1 percent in January 2007 to a high of 5.6 in May 2010. As of 2017, the unemployment rate has fallen to about pre-recession levels.

Labor force participation rates by Educational Attainment Level

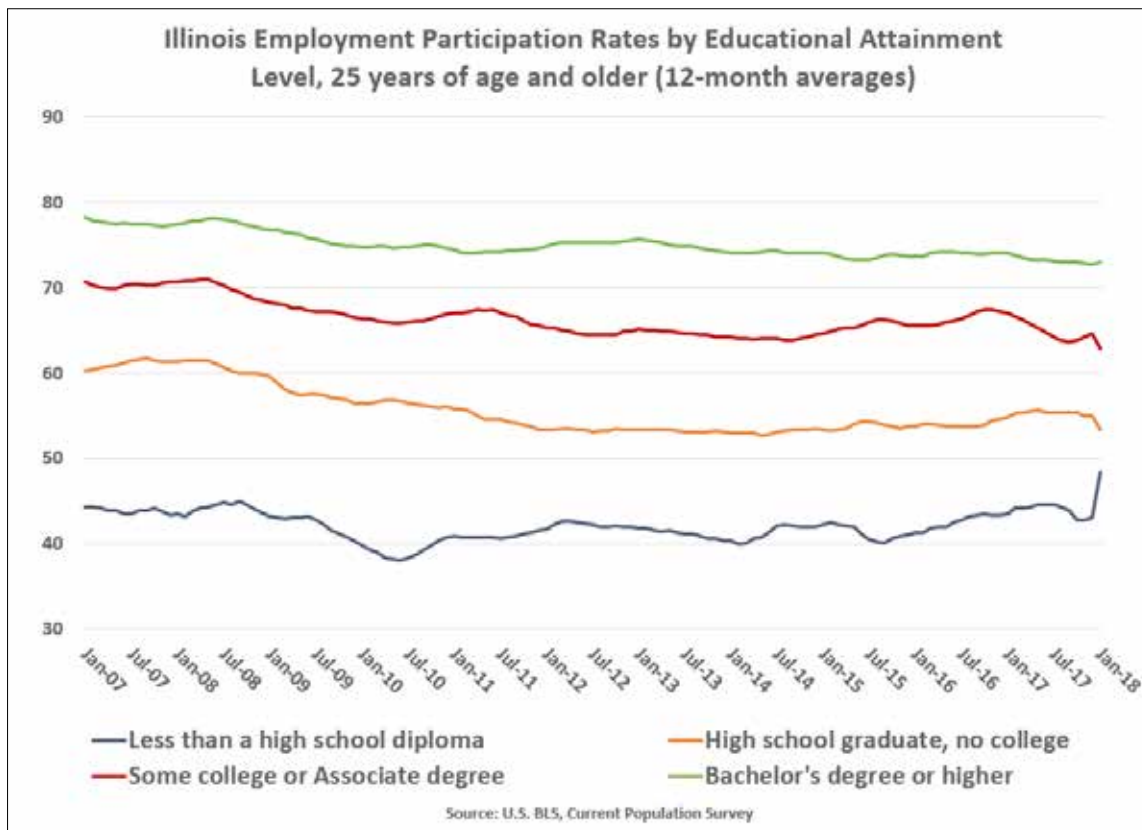
The chart below shows 12-month moving average labor force participation rates by educational attainment level



- Labor force participation rates have a strong, direct relationship with educational attainment levels; the higher the level of educational attainment, the higher the labor force participation rate. Nonetheless, as discussed below, labor force participation rates have yet to return to pre-recession levels for even the most highly educated.
- Throughout the past decade, the average labor force participation rate for Illinois residents with less than a high school diploma was less than 50 percent, apart from just one month. The highest average labor force participation rate reported was 50.0 percent in September 2008. The average labor force participation rate steadily declined in the years following the 2007-2009 recession, falling to a low of 44.1 percent in September 2015, before rising above 48.0 percent in 2017.
- The average labor force participation rate for high school graduates and no college, peaked at 64.9 percent in September 2007, fell to a low of 57.3 percent in February 2015 and then rebounded to about 59 percent in early 2017.
- Among those with some college or an associate degree, the average labor force participation rate reached a high of 74.5 percent in May 2008. The average labor force continued to drop following the 2007-2009 recession, through 2015, when it fell below 69.0 percent. The average labor force participation rate then increased gradually, reaching 71.0 percent in October 2016, before reversing direction in 2017, falling below 70.0 percent.
- Prior to the 2007-2009 recession, nearly eighty-percent of those with a bachelor's degree or higher, were in the labor force. The average labor force participation rate for those with a bachelor's degree or higher continued to drop even after the recession, falling to 75.5 percent in June 2015. But after rising to above 76 percent in 2016, the average labor force participation rate dropped below 75 percent for the first time in 2017.

Employment participation rates by Educational Attainment Level

The chart below shows 12-month moving average employment participation rates by educational attainment level



- As is the case with labor force participation rates, employment-participation rates have a direct relationship with educational attainment levels; the higher the level of educational attainment, the higher the employment percentages. Additionally, as of 2017, employment-participation rate had yet to return to pre-recession levels, regardless of educational attainment level.
- Fewer than half of the Illinois residents with less than a high school diploma was employed during the past decade. The highest average employment-participation rate for those with less than a high school diploma was 44.9 percent in September 2008 and the lowest average employment-participation rate was 38.0 percent in June 2010. Their average employment-participation rate recovered to pre-recession levels by mid-2017 before dropping below 43 percent, as of October 2017.
- Prior to the 2007-2009 recession, more than 60 percent of high school graduates, with no college, were employed. The average employment-participation rate for this group rose to a high of 61.5 percent in early 2008. After the 2007-2009 recession, the average employment-participation rate decreased to a low of 52.7 percent in May 2014, before reversing direction and rising above 55 percent in 2017.
- The average employment-participation rate for those with some college or associate degree was above 70 percent throughout most of 2007. Following the last recession, the average employment-participation rate for this group steadily declined, reaching a low of 64.4 percent in June 2012. After June 2012, the average employment-participation rate rebounded, increasing to a high of 67.4 percent in October 2016, before falling below 65 percent in 2017.
- Nearly 80 percent of those with a bachelor's degree and higher were employed in 2007 and 2008. The effects of the 2007-2009 recession pushed the average employment-participation rate for this group down to 74.0 percent in March 2011. The average employment-participation rate improved in 2012-2013, reaching 75.7 percent in January 2013. However, after early 2013, the average employment-participation rate started a gradual decline, falling to below 73 percent, as of October 2017.