

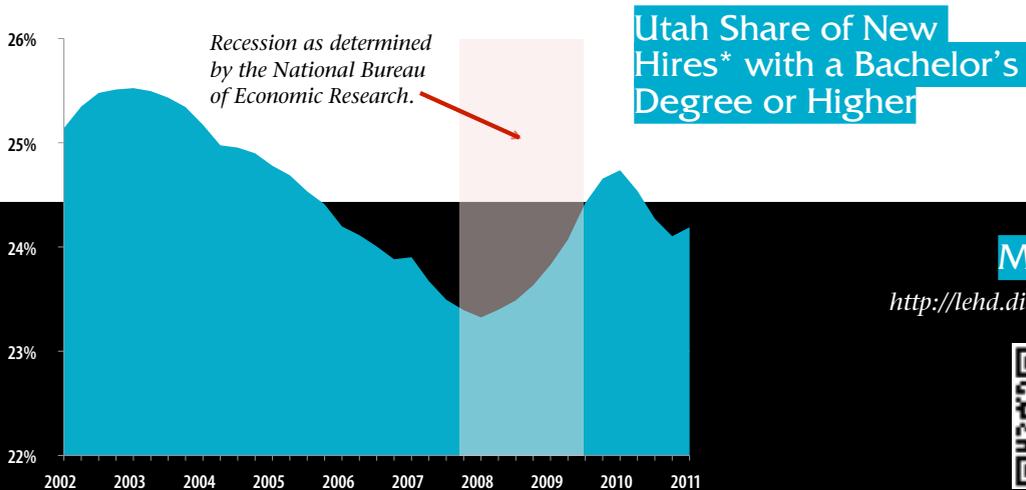


The Census Bureau's Local Employment Dynamics (LED) data has opened even the eyes of experienced labor market economists like me to the "churn" of people and jobs in the labor market. Recently, the LED program has added even more demographic detail to the data series, providing a wealth of economic information about what occurs in the labor market on a local level.

A tale of

# THE BUSINESS

## EDUCATION, AND HIRING



More info...

<http://lehd.did.census.gov/led/index.php>



\* Four-quarter moving average; individuals 25 years and older only.  
Source: U.S. Census Bureau, Local Employment Dynamics.

# Now even more demographic detail...

Always interested in the relationship between educational attainment and the labor market, I decided to examine new hires by educational level over the past decade. Because this information could be subject to misinterpretation, let me clearly lay out the scope and nature of the data.

- This data covers only individuals 25 years and older. Due to young people's propensity to change employment, these hires represent only about 60 percent of total hires.
- A worker's personal education attainment determines the educational category, not the job requirements. For example a person with a PhD might be hired as a cashier.
- To simplify analysis, I used the share of hires with a bachelor's degree or higher as a percentage of total hires. Because of the seasonal nature of the data, I also used a four-quarter moving average to explore trends.

Larger, more urban counties tended to follow the same cyclical trend as did the state. In general, they also proved more likely to demonstrate a higher share of new hires requiring at least a bachelor's degree over time.

Less-populated county trends typically did not follow the expansion/recession trend. Six counties actually demonstrated a declining share of degreed hires throughout the decade. On the other hand, five counties (Sanpete, Kane, Washington, Grand, and Garfield) experienced an increasing share of degreed hires. This proves particularly interesting given the tourism-dependent nature of several of these economies and Washington County's major participation in the recent cycle of boom to bust.

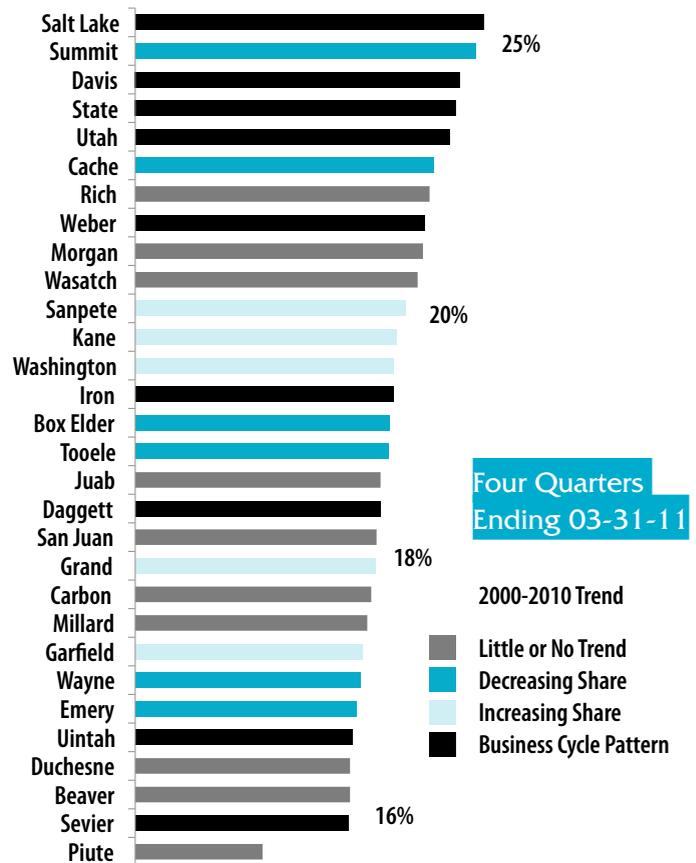
# CYCLE,

## Down in the Expansion; Up in the Recession

The time-series chart demonstrates that the business cycle had a definite effect on the share of new hires with at least a bachelor's degree. As the economy expanded and eventually overheated, the share of degreed hires steadily declined. This certainly makes sense, particularly in an expansion fueled by construction. In addition, the booming economy created labor shortages which permitted those with lower levels of education to easily find employment. (Remember the days of 2.5 percent unemployment?)

As the recession ensued, degreed hires started to pick up steam. Again, this makes sense. Groups with the highest educational level show the lowest unemployment rates. And in a downturn, employers are able to tap the best educated workers. The data have yet to demonstrate a decided trend in the current recovery despite what appears to be an initial peak in 2010. Also, these changes are fairly compressed. In the last decade, the peak of degreed hires occurred at 26 percent; the trough at about 23.5 percent.

## Share of New Hires\* with a Bachelor's Degree or Higher



\* Individuals 25 years and older only.  
Source: U.S. Census Bureau, Local Employment Dynamics