

Educational Attainment Matters as Americans Return to the Labor Force and Employment

The COVID-19 pandemic has had a far-reaching impact on the labor force, but, as is found in this *Fast Fact*, it has had a particular impact on workers with lower educational attainment. Americans with lower educational levels have seen more job losses that have continued through the pandemic. Using educational attainment as a proxy for industry, such job loss could be associated with the fact that workers with lower educational levels were more likely to be in jobs that could *not* be done from home, such as those within the retail, food service, or hospitality industries.

About the Data

The focus of this *Fast Fact* is the number of civilian noninstitutionalized Americans ages 25 or older who are employed or in the labor force. The labor force is defined as those working or actively seeking employment, whereas the number employed only accounts for those with a job. The data on the number of employed or in the labor force are for December of each year (not seasonally adjusted) and are from the U.S. Census Bureau's Current Population Survey (CPS), available from the Bureau of Labor Statistics.

This *Fast Fact* builds on previous research in the *EBRI Issue Brief* "[Labor Force Participation and the Pandemic: Making Sense of the Changes](#)," highlighting the disproportionate impact of job loss on Americans with lower educational attainment.

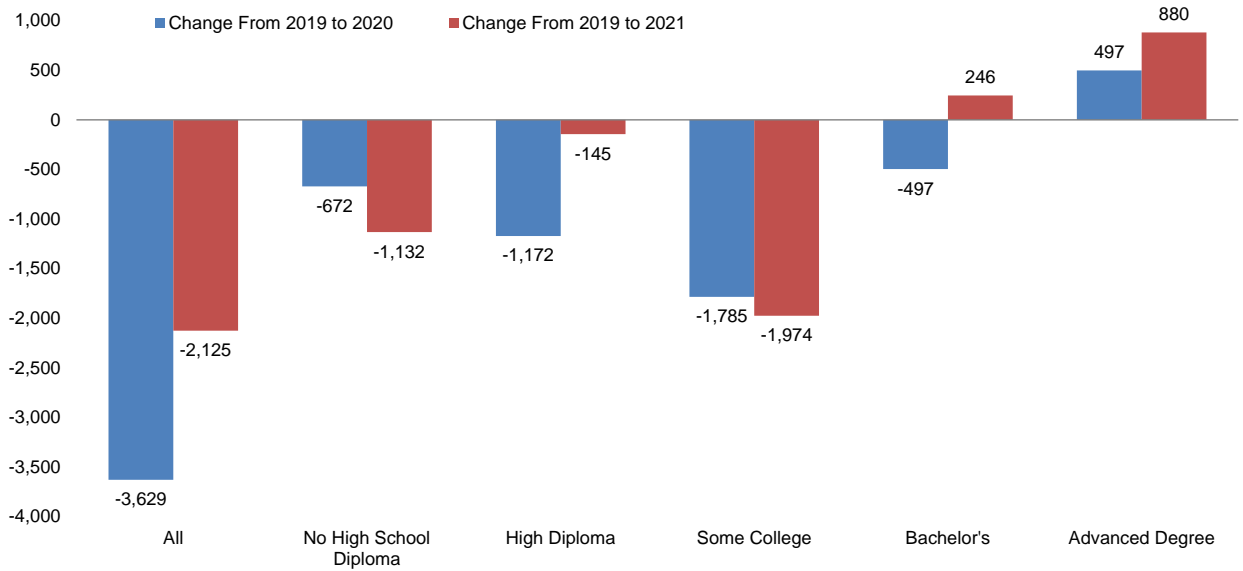
Overall Changes by Educational Attainment

The number of civilian noninstitutionalized Americans ages 25 or older in the labor force as of December 2020 was 3.63 million less than it was in December 2019. By December 2021, that decline had narrowed to 2.13 million (Figure 1). However, those remaining out of the work force by 2021 were disproportionately Americans without a college degree.

In particular, among those without a high school diploma, the decline in the number in the labor force from the end of 2019 went from 670,000 at the end of 2020 to 1.1 million at the end of 2021. Furthermore, the number of Americans with some college — but not a bachelor's degree — who were out of the labor force at the end of 2021 vs. the end of 2019 reached nearly 2 million. In contrast, the number of Americans with a bachelor's degree or with an advanced degree who were in the labor force *increased* nearly 250,000 and 880,000, respectively, as of December 2021 compared with December 2019.

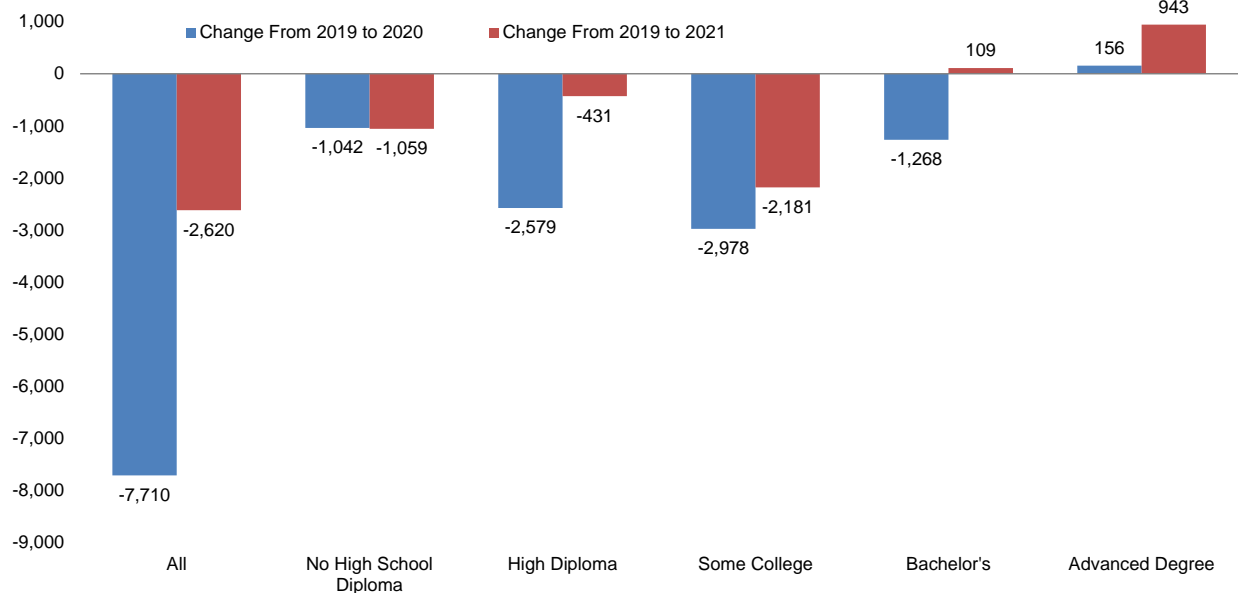
A similar pattern emerged for the number employed across educational attainment. While the overall number of Americans employed in 2021 was below that of 2019 by 2.6 million, the numbers of employed Americans with a bachelor's degree and of those with an advanced degree were up nearly 110,000 and nearly a million, respectively (Figure 2). Again, the number of Americans without a bachelor's degree or higher who were employed in 2021 remained below the number in 2019.

Figure 1
**Change in the Number of Americans Ages 25 or Older
 in the Labor Force, by Educational Attainment
 (in thousands)**



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>.

Figure 2
**Change in the Number of Employed Americans
 Ages 25 or Older, by Educational Attainment
 (in thousands)**



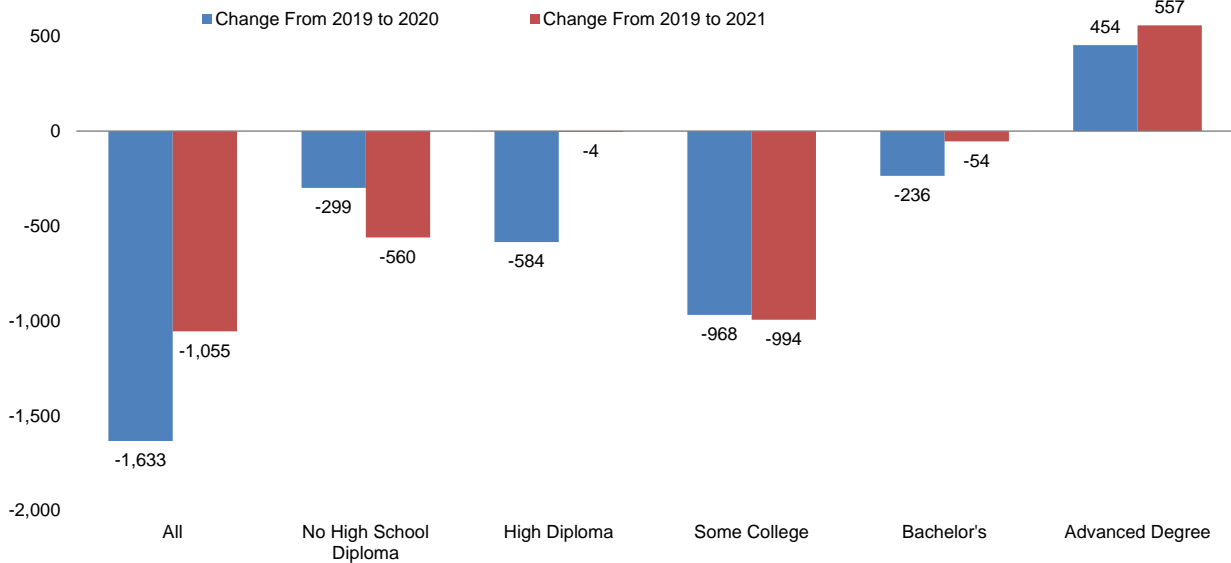
Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>.

Differences by Gender

For male Americans ages 25 or older, the number with advanced degrees in the labor force was higher by the end of 2021 vs. 2019 (Figure 3). Specifically, there were 557,000 more males with advanced degrees in the labor force by the end of 2021. The number of males with a bachelor's degree in the labor force at the end of 2021 was almost equal to that in 2019. In contrast, there were nearly 1 million fewer male Americans with some college,

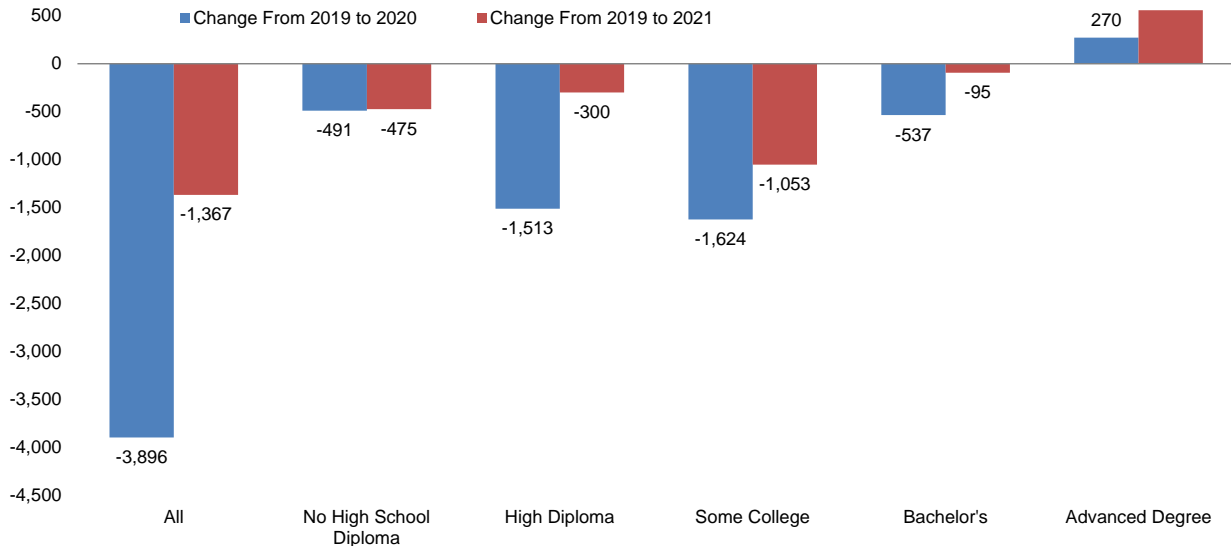
but not a bachelor’s degree, at the end of 2021 vs. the end of 2019. The pattern was similar for the number of employed male Americans at the end of 2021 compared with the end of 2019 (Figure 4).

Figure 3
Change in the Number of Male Americans Ages 25 or Older
in the Labor Force, by Educational Attainment
(in thousands)



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>.

Figure 4
Change in the Number of Employed Male Americans
Ages 25 or Older, by Educational Attainment
(in thousands)

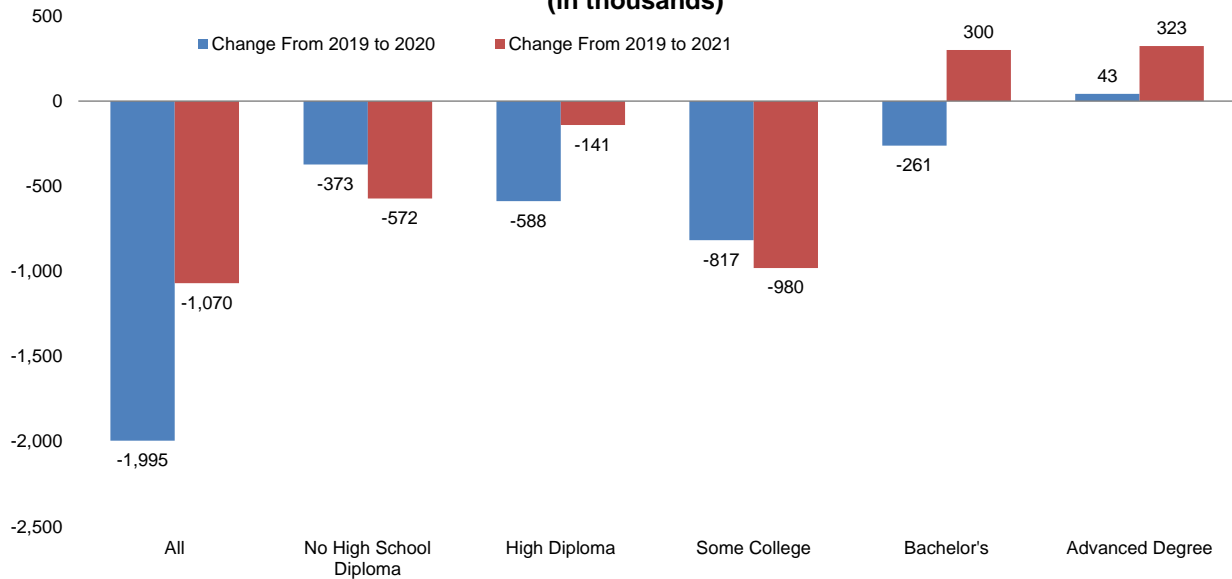


Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>.

Similarly, the number of female Americans without a bachelor’s degree or higher in the labor force at the end of 2021 remained below the number at the end of 2019 (Figure 5). However, unlike for males, the number of female Americans in the labor force with only a bachelor’s degree was higher at the end of 2021 vs. the end of 2019. The

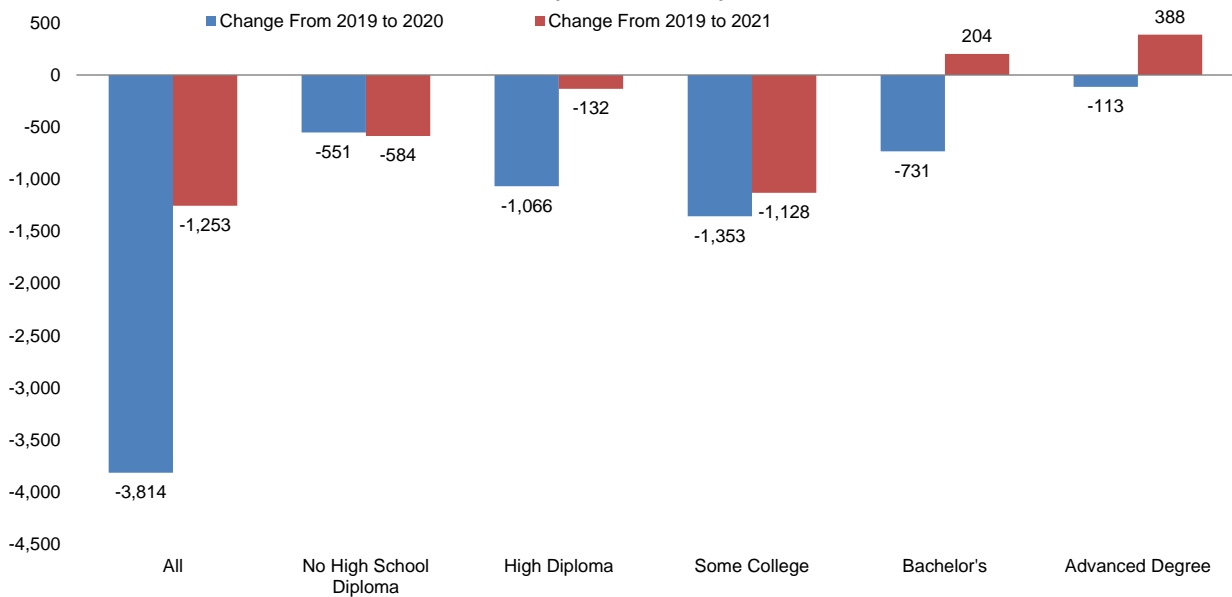
number of female Americans with an advanced degree in the labor force was also higher. Again, the pattern for the number of employed female Americans at the end of 2021 compared with the end of 2019 was similar to the pattern for those in the labor force (Figure 6).

Figure 5
Change in the Number of Female Americans Ages 25 or Older in the Labor Force, by Educational Attainment (in thousands)



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>.

Figure 6
Change in the Number of Employed Female Americans Ages 25 or Older, by Educational Attainment (in thousands)



Source: U.S Department of Labor, Bureau of Labor Statistics, "Labor Force Statistics from the Current Population Survey," <http://www.bls.gov/data/>.

Implications for Employers

The COVID-19 pandemic has exacerbated the gap between those who are prepared for retirement and those who are not. Workers who are more likely to have retirement plans in the first place are those with more educational attainment. These same workers are also more likely to be back in the labor force and to be employed at the end of 2021 since the start of COVID-19 pandemic. Consequently, the more highly educated are, for the most part, better positioned to continue with their retirement preparations than their lesser-educated counterparts. In other words, those with less educational attainment were not only less likely to have a retirement plan before but are more likely to have fallen behind in preparing for retirement during the pandemic due to lack of work.

As the American economy comes out of clutches of the pandemic, a renewed focus on retirement preparations is going to be needed for those with lower educational attainment and lesser-paying jobs. Furthermore, the pandemic has also created a labor market in which more Americans are changing jobs and, as a result, making decisions on what to do with their retirement plan assets as well as how to get their day-to-day finances in order. Thus, financial wellness programs to help employees improve their financial situations will be a welcome addition for many new employees.

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