

Millennials cheer as boomers retire

By [Jillian Berman](#)

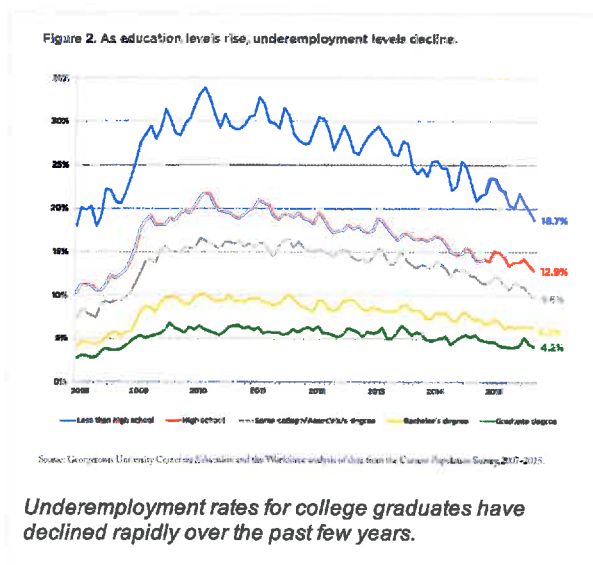
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Tales of baristas with college degrees may soon become more of a rarity.

The underemployment rate for college graduates dropped to 6.2% this year from a high of 10.2% during the recession, according to [an analysis](#) released Monday by Georgetown's Center for Education and the Workforce. The underemployment rate encompasses people who want a job and don't have one as well as people who want a full-time job and only have a part-time gig.



The sharp decline in underemployment is the result of two trends, according to Anthony Carnevale, the director of the Georgetown center and a co-author of the report. The first is a "huge rush" of baby boomer retirements, which are freeing up jobs for younger college graduates. Over the next several years, two out of the three jobs that become available for college graduates will open up as a result of retirements, he said.

The other reason for the fall in underemployment is the uptick in job growth over the past several months, a sign that "the recovery is moving grudgingly, but it is moving," Carnevale said. "Even with the job creation that we've had so far, we're still 7 million jobs short of what we would have had if we hadn't had the Great Recession," he said. "While full recovery, in my mind, is somewhat down the road, the

recovery is taking people with college degrees first."

The findings add to a growing body of evidence that in most cases, a college degree helps to boost employment and earning potential -- the underemployment rate of those with just a high school diploma is 12.9%, the analysis found. But for many Americans, a college degree is out of reach without taking on debt. That's particularly true for African-Americans. [More than half of young black households](#) hold student debt, according to a recent analysis from Demos, a left-leaning think tank, and Brandeis University's Institute on Assets and Social Policy.

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Snap-On CEO Nick Pinchuk says jobs in manufacturing need to be celebrated and respected as much as CEOs or lawyers.

The irony is that a college degree can be one of the best tools for closing the racial gap in underemployment rates, [the Georgetown study found](#). "The less education you have, the more discrimination there is," Carnevale said.

But because African-Americans are more likely to take on debt to finance their education, the quest for a college degree often only serves to exacerbate the already large wealth gap between black and white Americans. One solution could be a targeted approach to student debt forgiveness, Demos and IASP suggest. Wiping away the student debt for families making \$50,000 a year or less could reduce the wealth gap between black and white families by more than \$2,000, or nearly 7%, [their paper found](#).

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