Education, Earnings, and Decent Jobs

As the amount of required occupational preparation increases in Job Zones 1 through 5, the levels of education and income of the workers who hold those jobs also steadily rise. Only 7 percent of employees in Zone 1 jobs have a bachelor’s degree, compared with 77 percent in Zone 5. Annual incomes for workers in the top zone are also more than 4.5 times those found in the lowest zone.

**Zone 1**
- Median income: $12,638
- 7% Less than high school
- 32% High school completer
- 37% Some college
- 24% B.A. degree

**Zone 2**
- Median income: $24,461
- 12% Less than high school
- 16% High school completer
- 34% Some college
- 38% B.A. degree

**Zone 3**
- Median income: $35,672
- 9% Less than high school
- 26% High school completer
- 27% Some college
- 37% B.A. degree

**Zone 4**
- Median income: $50,552
- 2% Less than high school
- 9% High school completer
- 21% Some college
- 68% B.A. degree

**Zone 5**
- Median income: $59,113
- 1% Less than high school
- 6% High school completer
- 16% Some college
- 77% B.A. degree

**ONLINE:** For detailed graduation-rate data go to www.edweek.org/go/dc07

**SOURCE:** EPE Research Center, 2007
Learning And Earning

In today’s world, an adult with a high school diploma but no further education can expect to earn an annual income of around $27,500. That outstrips the $19,400 in annual earnings of the typical worker without a high school education, but not by much. In 2005, the federal government drew the poverty line at $19,971 for a family of four.

With a generally strong economy, even in the 21st century a person with just a high school diploma can probably find a job and manage to stay steadily employed. But chances are that he or she will be eking out a living rather than truly thriving. The jobs available to those who stop their education at high school are hardly the route to adult success. Nor are those the jobs for which the nation’s public schools should be preparing their students. Instead, there is growing agreement that public policy and high school reform should aim higher and prepare today’s youths for jobs with a real future.

But what are those jobs?

The Bureau of Labor Statistics, a branch of the U.S. Department of Labor, classifies civilian occupations into a series of five “job zones.” Part of the Occupational Information Network, or O*NET, database, those categories are defined on the basis of the preparation such work typically requires along three dimensions—education, experience, and training. The lowest levels, Job Zones 1 and 2, are filled by occupations that call for a high school diploma or less, and little training or experience. Zone 3 jobs, by comparison, usually require substantial vocational training, work-related experience, or formal education beyond high school, although not necessarily a postsecondary degree. A four-year college degree is typically the minimum requirement for entry into Zone 4 and 5 occupations.

For Diplomas Count 2007, the Editorial Projects in Education Research Center combined occupational information from O*NET with data on the civilian labor force obtained from the 2005 American Community Survey, conducted by the U.S. Census Bureau. With the original database that resulted, we were able to conduct an in-depth labor-force analysis, examining such issues as the actual educational attainment and income levels within each job zone at the national and state levels. In addition, we could map the availability of high-quality jobs in more than 2,000 localities across the country.

Strong Relationship

Our results show that education levels are not perfectly correlated with job-zone classifications. That is, small numbers of highly educated workers hold low-zone jobs, with the converse also true. In general, though, the relationship between educational attainment and job zones is very strong. Only 7 percent of jobholders in Zone 1 have earned a bachelor’s degree, with 70 percent holding a high school diploma or no formal credential. The opposite pattern prevails in Zone 5, in which more than three-quarters of workers have a four-year college degree and 7 percent have a high school education or less.

Individuals in jobs that demand more extensive levels of preparation also earn higher salaries. Median incomes reach $59,113 in Job Zone 5, compared with only $12,638 for workers in the lowest job zone. One striking result of the EPE Research Center analysis is the dramatic differences that emerge in the distribution of wages across the occupational hierarchy. Within Zone 5, incomes vary considerably around the average level, with roughly equal numbers of workers earning less than $30,000 and topping the $100,000 mark. Income levels in occupations with the lowest job-zone classifications are more uniformly low. Eighty-four percent of Zone 1 workers earn less than $30,000, which is about half the Zone 5 average.

Although the share of workers falling into each of the five job zones varies somewhat across the states, Zones 2 and 3 constitute a majority of the labor force in every state. With state populations ranging from about half a million residents in Wyoming to more than 30 million in California, the sizes of their respective labor markets and the numbers of desirable jobs available vary dramatically. California’s economy boasts more than 9 million jobs in Zones 3 through 5 combined, compared with about 184,000 in Alaska, despite the fact that the labor forces in both states have a similar composition with respect to required levels of preparation.

National and state statistics tell only part of the story, of course. Most labor markets are much more localized, with businesses and employees operating within relatively narrow geographical confines. One important indicator for the strength of a local economy is the concentration of high-quality jobs. Our analysis of more than 2,000 localities shows that the proportion of jobs falling into Zone 3 or higher can range from fewer than 10 percent to nearly 80 percent. (See map, Page 16.)

Below-average concentrations of jobs in Zones 3 to 5 prevail throughout much of the Deep South, the rural Midwest, and parts of the Southwest. Higher-than-average proportions of such desirable jobs can be found in New England, much of the North and Central Plains region, and parts of the West Coast. Patterns within greater metropolitan regions can resemble a mosaic, containing localized areas with both high and low concentrations of high-preparation jobs.

The latter finding is especially notable when considering the connections between education and the economy. (See map inset, Page 17.)