



# Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

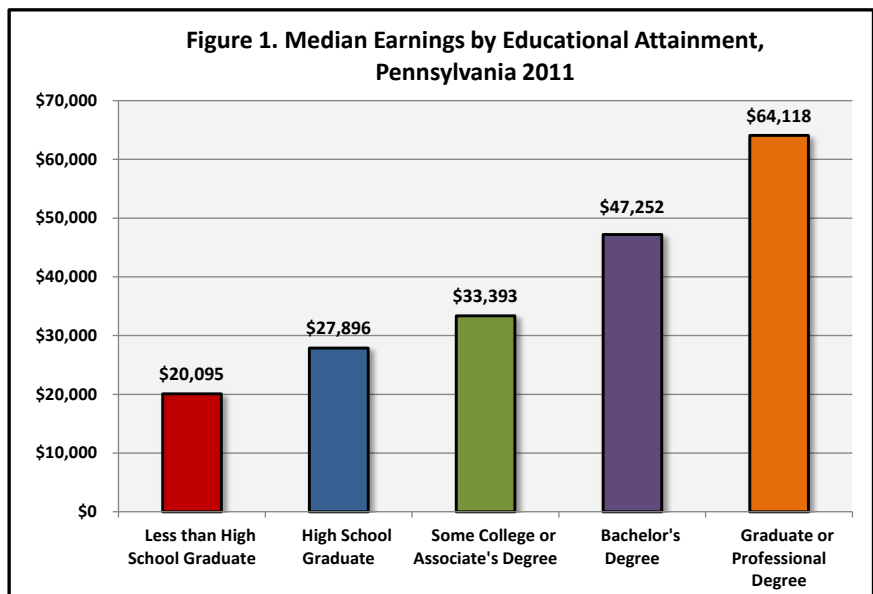
May 16, 2013

## Education and Earnings in Pennsylvania: Earnings of Pennsylvania Workers Reveal the Importance of Education

**PENN STATE HARRISBURG** – Investment in education pays off for Pennsylvania workers. Pennsylvanians that have achieved higher levels of educational attainment reap the benefit of higher wages and rates of homeownership, while experiencing lower rates of unemployment and poverty.

### Earnings by Education Attainment

Earnings differences continue to exist among workers with different levels of education attainment. Pennsylvanians with a bachelor's degree earned nearly \$20,000 more annually than those with only a high school diploma in 2011. Median earnings for Pennsylvanians with a bachelor's degree were \$47,252 compared to \$27,896 for those with a high school diploma alone. A high school dropout only earned \$20,095 in 2011, significantly below the overall state median earnings figure of \$35,178 (see Figure 1.)



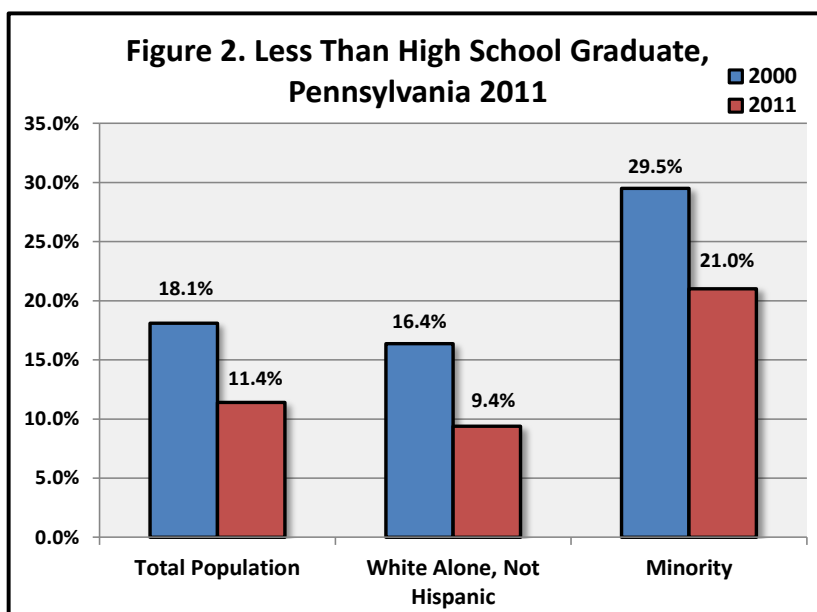
### Education Rising

Pennsylvania's population is becoming more educated. In 2000, 22.4 percent of Pennsylvanians age 25 years and over had a bachelor's degree or higher. That figure rose to 27.0 percent of state's population in 2011. At the same time, fewer residents lacked a high-school diploma: 18.1 percent had no diploma in 2000, which dropped to 11.4 percent in 2011. Nationally, 28.5 percent of the population attained a bachelor's degree or higher, while 14.1 percent lacked a high school diploma. Among the states and the District of Columbia, Pennsylvania ranked 25<sup>th</sup> in terms of the percentage of the population to have a bachelor's degree or higher in 2011.

## Growth of Education among Racial/Ethnic Minorities

The increase in educational attainment for Pennsylvanians age 25 years and over has not been equal among racial and ethnic groups. The percentage of racial and ethnic minorities with a bachelor's degree or higher increased from 17.0 percent in 2000 to 20.6 percent in 2011. The minority population is defined as anyone who indicated that they were either Hispanic or a race other than White alone. Meanwhile, the percentage of those with a bachelor's degree or higher grew from 23.2 percent to 28.2 percent over the same time period among the White Alone, Not Hispanic population.

Despite the growth in those attaining a bachelor's degree or higher among the racial and ethnic population, the gap between the minority and the White Alone, Not Hispanic population increased from 6.1 to 7.7 percentage points from 2000 to 2011. Strides have also been made on the other end of the educational attainment spectrum as the percentage of Pennsylvanians lacking a high school diploma declined in 2011. However, minority groups are more likely than their White Alone, Not Hispanic counterparts to be without a high school diploma (see Figure 2.)

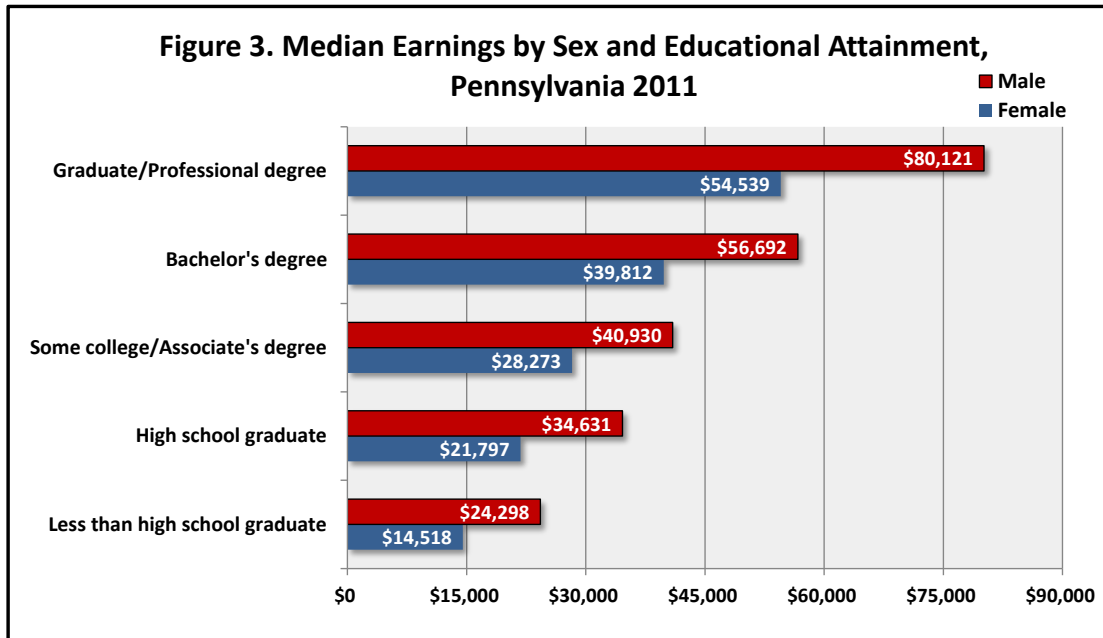


## Education and Employability

In addition to increasing earnings potential, higher levels of educational attainment can increase one's employability. Overall, the unemployment rate for Pennsylvanians age 25 to 64 years was 7.7 percent in 2011. However, that number grew to 9.3 percent for individuals whose highest level of education was high school and soared to 16.3 percent for those lacking a high school diploma. Nationally, the unemployment rate for the population age 25 to 64 was 11.0 percent for high school graduates and 15.6 percent for those without a diploma. For Pennsylvanians who have earned a bachelor's degree or higher the unemployment rate dipped to 4.4 percent in 2011, similar to the national rate of 4.6 percent.

## Gender Disparities in Earnings

The economic value of a high school and college degree is embodied in increased earning capacity over a lifetime. While on average this is true for both men and women, disparities of earnings exist between men and women at every level of education attainment. On average, women earned 68.0 percent of men for the Pennsylvania population 25 years and over with earnings in 2011 (Figure 3). Women without high school degrees were at the greatest disadvantage, earning just 58.8 percent of men with the same level of education. Highly educated females with graduate or professional degrees had lower median earnings than males with bachelor's degrees.



Source: U.S. Census Bureau; 2011 American Community Survey 1-Year Estimates

### More Education and Earnings Data

- The poverty rate for Pennsylvanians without a diploma was 25.5 percent in 2011. Women without a diploma were more likely to be in poverty than men (28.8 percent compare to 21.9 percent). Conversely, those with a bachelor's degree or higher had only a 3.7 percent poverty rate.
- In 2011, the rate of homeownership for Pennsylvania householders with a bachelor's degree was 76.6 percent. Householders with a high school diploma had a homeownership rate of 69.9 percent.
- Pennsylvanians aged 25 to 64 years with a bachelor's were much more likely to have health insurance than those with only a high school diploma in 2011. (94.2 percent compared to 83.2 percent). Those with at least a bachelor's degree were also less likely to have public health insurance (4.3 percent versus 18.4 percent for individuals with only a diploma).

### 2011 ACS 1-Year Estimates

The 2011 American Community Survey (ACS) estimates are based on an annual, nationwide household sample of about 295,000 addresses per month, or nearly 3 percent of the population a year. Geographic areas for which data are available are based on total populations of 65,000 or more. The estimates aggregate the sample responses from Pennsylvania households collected from January 1, 2011 to December 31, 2011. Geographic areas for which data are available are based on total populations of 65,000 or more. As is the case with all surveys, statistics from sample surveys are subject to sampling and non-sampling error.

Sources: U.S. Bureau of the Census; 2011 American Community Survey 1-Year Estimates

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

**Editors:** For additional data; contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic; contact Penn State Harrisburg's Public Information Office at 717.948.6029.

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