The Undereducated American

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The United States has been underproducing college-going workers since 1980. Supply has failed to keep pace with growing demand, and as a result, income inequality has grown precipitously.
From 1915 to 1980, supply grew in tandem with demand. But, starting in 1990, the share of college-educated young people in the workforce rose very slowly.

**supply:**
+ 3.1% per year

**demand:**
+ 2.9% per year
demand:
+ 2.0% per year

supply:
+ 1.5% per year

growing deficit of college-educated workers
Looking ahead to the year 2025, there are two potential paths forward.

1. Current supply trend: + 1.0% per year

(assuming same rate of increase as 1990-2010)

2. Proposed supply trend: + 2.6% per year
If we continue to underproduce college-educated workers, the large and growing gap between the earnings of Americans of different educational attainment will grow even wider.

- **High school earnings**
- **Bachelor’s degree earnings**

<table>
<thead>
<tr>
<th>Year</th>
<th>High School Earnings</th>
<th>Bachelor’s Degree Earnings</th>
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</thead>
<tbody>
<tr>
<td>1980</td>
<td></td>
<td></td>
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<tr>
<td>2010</td>
<td></td>
<td></td>
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<tr>
<td>2025</td>
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- 40% larger
- 74% larger
- 96% larger

(current supply trend)
What’s the solution? If we were to add 20 million postsecondary-educated workers to the workforce, income inequality would decline.
Adding an additional 20 million postsecondary-educated workers over the course of the next 15 years is not impossible. It will make our level of educational attainment comparable with other developed nations, help us meet the economy’s need for efficiency, and reverse the growth of income inequality.
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