

NSWERS Brief on Timely Employment in Nebraska

by Tom Choi

A college education is often seen as an investment in the future, offering a pathway to higher earnings that can offset the cost of attendance and lead to a better standard of living, compared to peers with only a high school diploma.¹⁻² However, failing to secure stable employment soon after college can result in long-term unemployment, underemployment, or other career challenges.³ By monitoring how long it takes college-educated workers in Nebraska (“Nebraska job holders”) to find stable employment within the state, valuable insights can be gained into how to mitigate both individual and statewide costs and the broader consequences of unemployment and underemployment.⁴⁻⁹

Overview

This brief explores key factors influencing timely employment, defined as ***securing stable employment in Nebraska within six months after college exit***. The six-month threshold is considered a significant milestone for college graduates as it coincides with the end of the federal student loan grace period. During this time, graduates are given time to find a job before they are required to begin repaying their student loans. Even if a student does not complete their program, the grace period automatically starts once they drop below half-time enrollment.¹⁰

KEY FINDINGS:

Earnings Growth

Graduates who secure timely employment show a higher earnings growth trajectory. Timely employment has long-term benefits for economic stability.

College Graduation

Graduating from college increases the likelihood of securing timely employment, highlighting the value of degree completion.

Work Experience

Work experience during college is crucial. Encouraging students to gain relevant experience while studying enhances their chances of securing stable employment promptly after college.

College Major

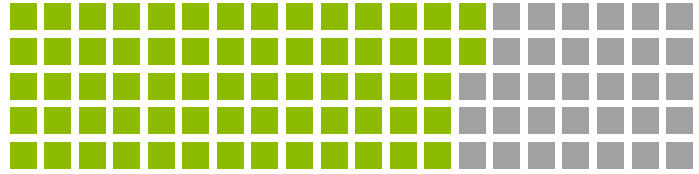
The impact of college graduation on timely employment varies depending on major. Fields such as Information Technology and Health Sciences show high timely employment rates.



Timely Employment

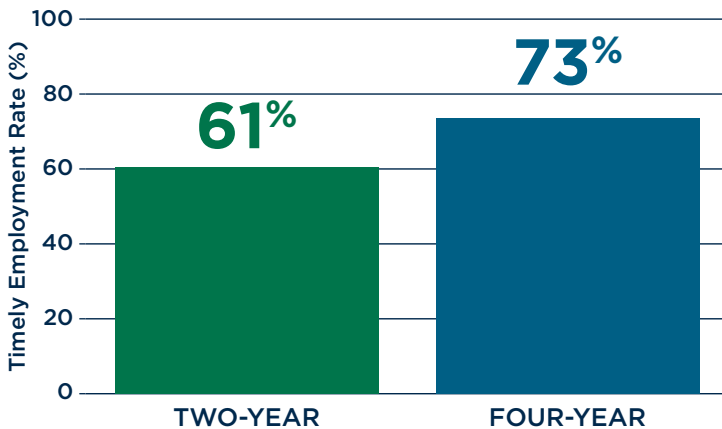
In 2021, 67 percent of Nebraska job holders secured stable employment within six months after leaving Nebraska public postsecondary institutions.

67%



Job holders from four-year colleges are more likely to obtain timely employment than those from two-year colleges.

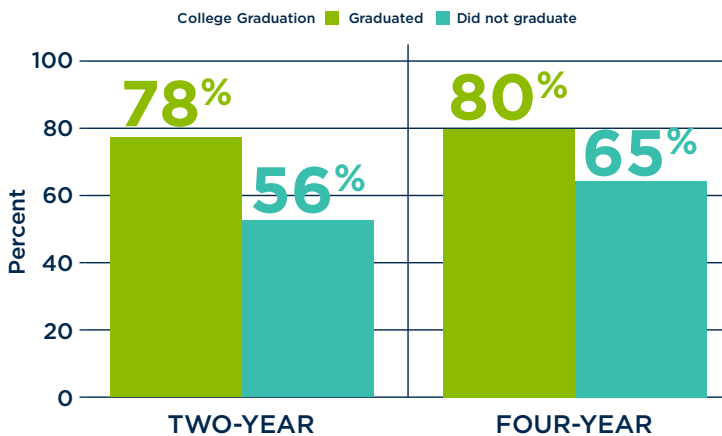
TIMELY EMPLOYMENT RATE OF NEBRASKA JOBHOLDERS FROM 2-YEAR AND 4-YEAR PUBLIC COLLEGES IN 2021



Timely Employment and College Graduation

Earning a college degree is related to the likelihood of securing timely employment for Nebraska job holders. The first chart highlights the timely employment rates of 2021 job holders, categorized by attendance at two- and four-year colleges. Job holders from four-year colleges are more likely to achieve timely employment, with a rate approximately 12 percentage points higher than those from two-year colleges.

TIMELY EMPLOYMENT RATE OF NEBRASKA JOBHOLDERS BY COLLEGE GRADUATION IN 2021



Among individuals from two-year colleges, non-graduates have the lowest timely employment rate of 56 percent. In other words, about half of those who leave a two-year college without a degree and remain in Nebraska for work secure stable employment promptly after college. In contrast, graduates from two-year colleges have a significantly higher timely employment rate of 78 percent. Similarly, non-graduates from four-year colleges have a lower timely employment rate of 65 percent, compared to an 80 percent rate among four-year graduates.

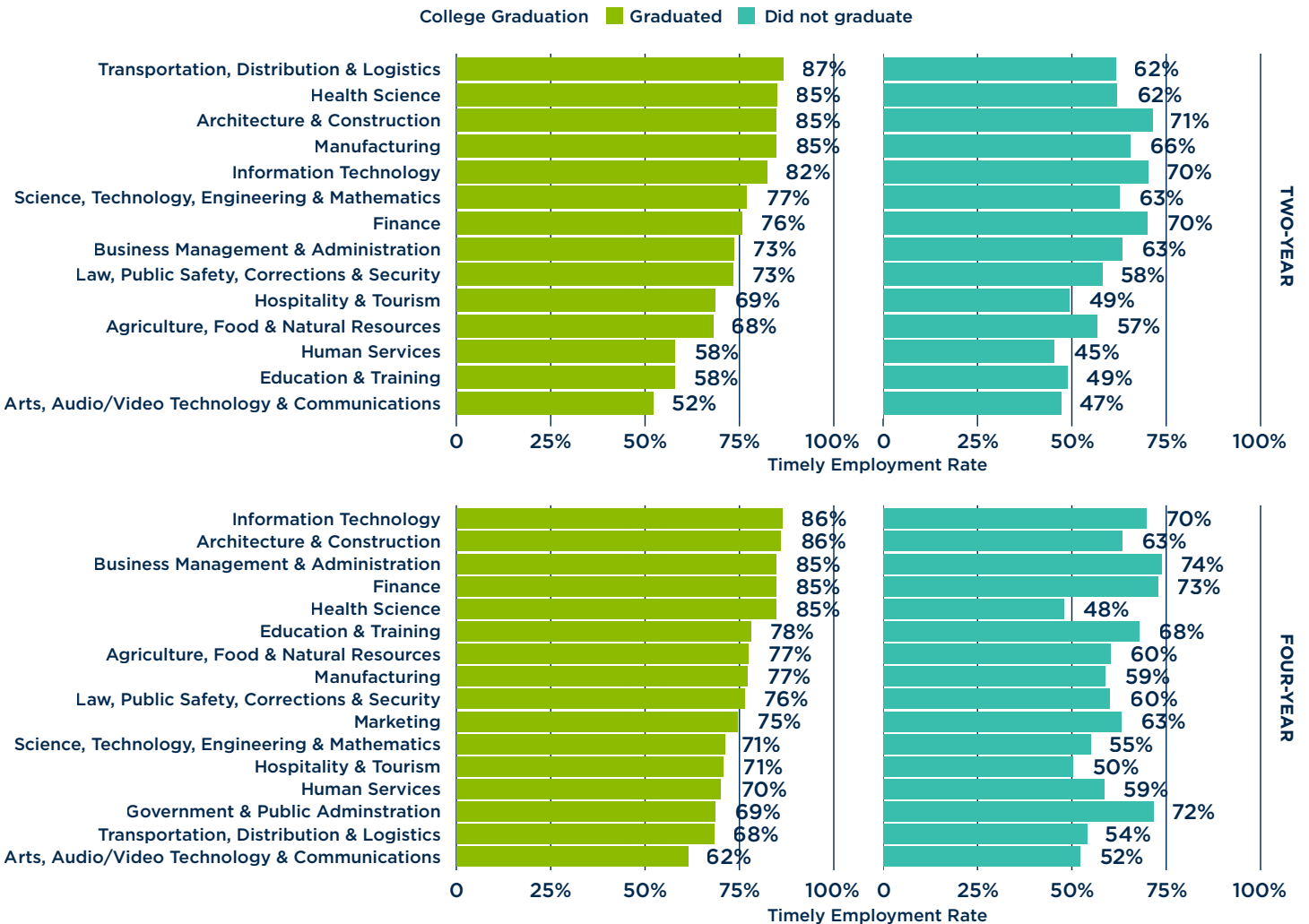
These findings suggest that graduating from college plays a crucial role in achieving timely employment. Investing in a college education pays off by securing jobs with earnings high enough to compensate for the costs, including the lost income from attending college instead of working. Individuals who attended but did not graduate from college are more likely to face challenges in both securing timely employment and managing financial difficulties.

Timely Employment and College Major

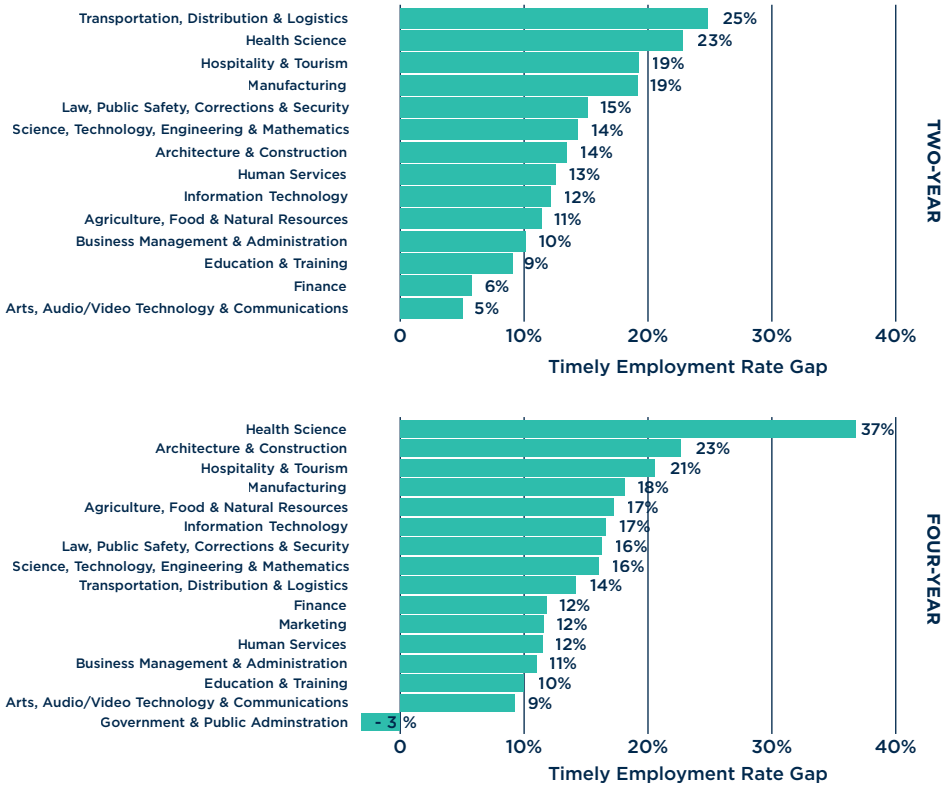
The rate of timely employment for Nebraska job holders is closely linked to their choice of college major. The chart below presents the overall timely employment rates from 2015 to 2021 for individuals who graduated and those who did not, grouped by two- and four-year college and further broken down into career clusters related to one's college major.

Overall, graduates from most college majors have timely employment rates at or above 75 percent. In contrast, non-graduates across all career clusters tend to have rates below 75 percent. Among graduates from two-year colleges, those with college majors in the Transportation, Distribution, and Logistics cluster have the highest timely employment rate at 87 percent. For four-year college graduates, the Information Technology cluster leads with an 86 percent timely employment rate.

**TIMELY EMPLOYMENT RATE OF NEBRASKA JOBHOLDERS
BY COLLEGE MAJOR CAREER CLUSTER**



GAP IN TIMELY EMPLOYMENT BETWEEN GRADUATES AND NON-GRADUATES



Among job holders from four-year colleges, the Health Science career cluster exhibits the largest gap in timely employment rates between graduates and non-graduates, with a 37 percentage point difference. This gap is primarily due to the low timely employment rates of non-graduate job holders from pre-medicine, pre-nursing, and other medical preparatory programs. Their lower timely employment rates are understandable, as these fields typically require specific licenses or credentials to secure jobs that match their training.¹¹ Job holders in other career clusters also show varying levels of timely employment gaps, indicating that non-graduate job holders may face more or fewer challenges depending on their field of study.

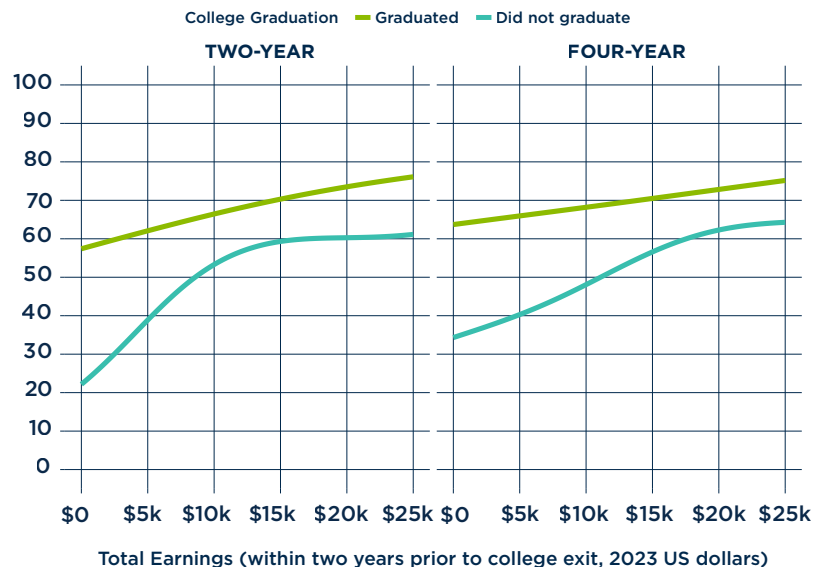
This example highlights how college graduation can play a more crucial role in achieving timely employment for certain majors. Furthermore, the requirement for specific licenses or credentials in certain fields may also impact timely employment outcomes.

Timely Employment and Work Experience During College

There is a strong positive relationship between work experience during college and timely employment rates for Nebraska job holders. This chart shows the timely employment rates for 2015–2021 job holders, categorized by their total earnings during the last two years of college, degree completion, and whether they attended two-year or four-year colleges.

Generally, job holders who worked and earned more during college tend to have higher timely employment rates. While graduates consistently show higher timely employment rates than non-graduates across all wage levels, the timely employment rates of non-graduates begin to approach those of graduates as their total earnings increase.

TIMELY EMPLOYMENT RATE OF NEBRASKA JOBHOLDERS BY EARNINGS DURING COLLEGE



These earnings reflect the amount of work experience students had during college, including paid work and internships. The positive impact of college earnings on timely employment may be attributed to the opportunities to gain valuable work skills, build strong professional networks, and enhance their resumes.¹²

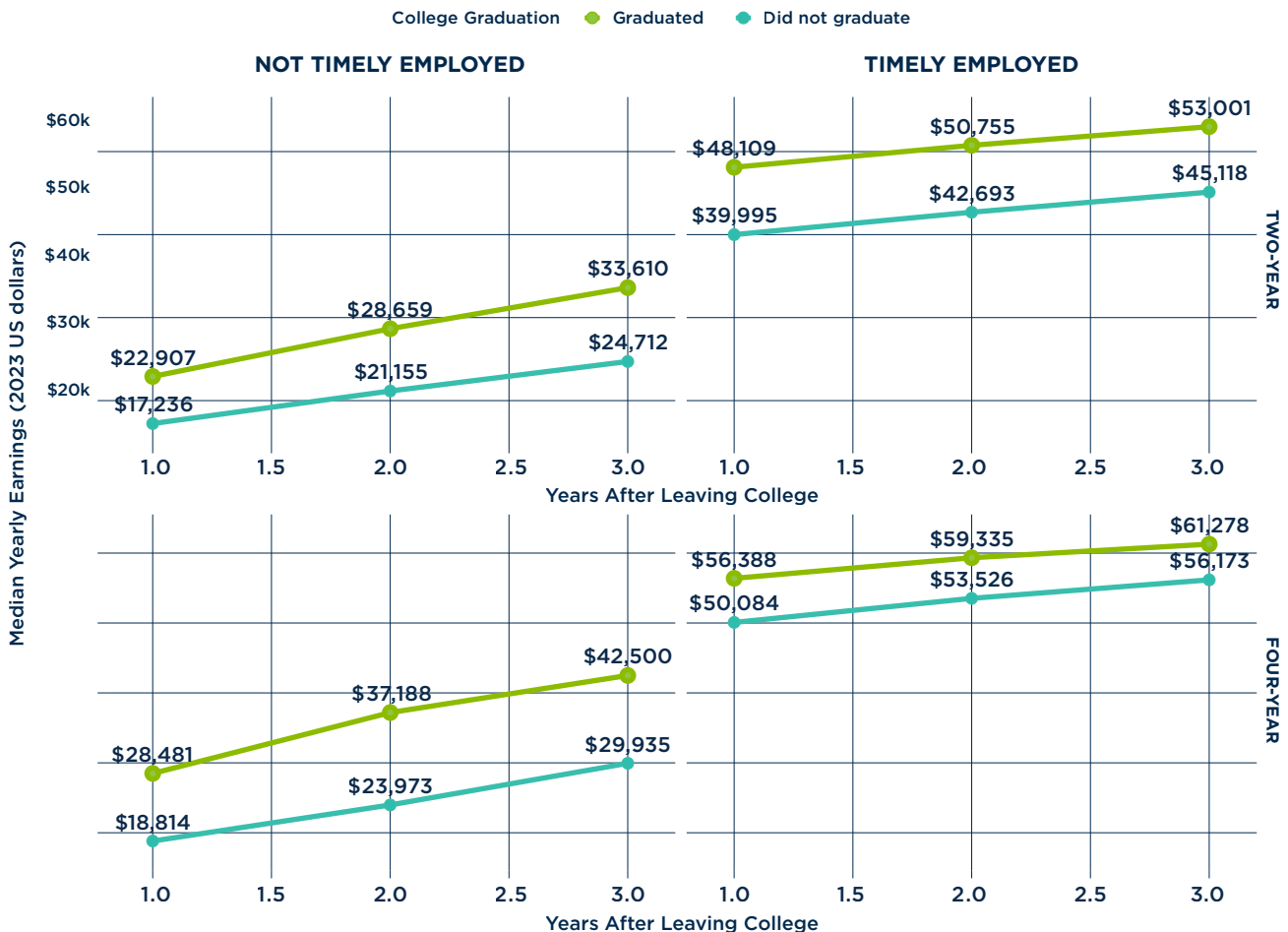
Work experience during college is crucial in obtaining timely employment for both graduates and non-graduates. Encouraging students to gain relevant work experience while in school could enhance their chances of securing stable employment promptly after college.

Timely Employment and Earnings Trajectory

The chart below displays the median annual earnings of 2015–2019 job holders up to three years after leaving college, categorized by degree completion, type of institution (two- or four-year college), and timely employment status.

Overall, median annual earnings increased over time, with noticeable gaps between graduates and non-graduates, as well as between those who secured stable employment promptly and those who did not. This trend is consistent across both two- and four-year college attendees.

TIMELY EMPLOYMENT AND MEDIAN YEARLY EARNINGS

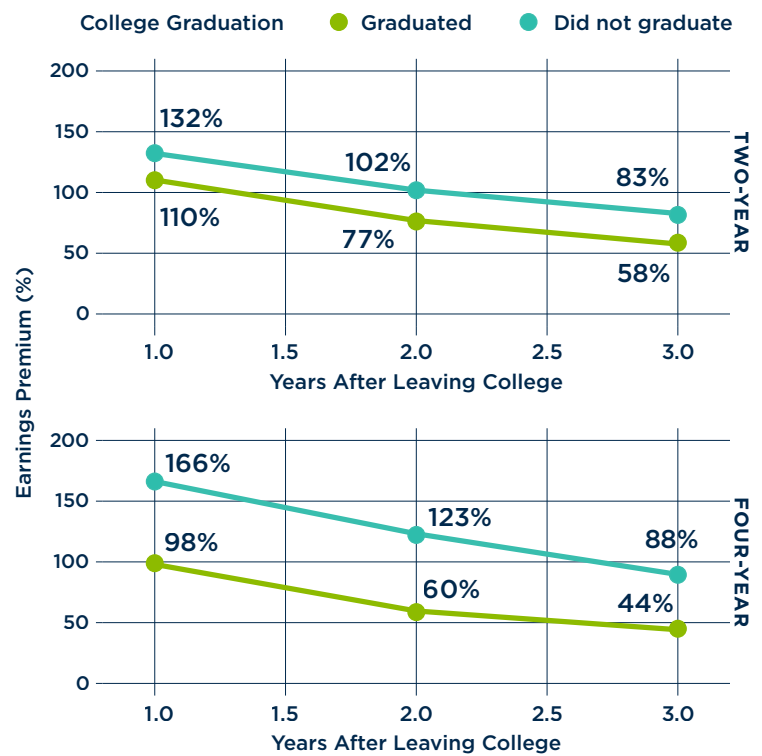


When examining the earnings premium associated with timely employment—the percentage difference between the median yearly earnings of timely-employed job holders and those of non-timely-employed job holders—the premium tends to decrease over time. This suggests that although job holders who do not secure employment promptly may initially struggle, their earnings gradually approach those of the timely-employed population as they gain experience and advance in their careers.

Assuming continuous employment and a consistent reduction in the earnings premium at a constant rate of 20 percent per year, *it would take approximately 5 to 8 years for the median yearly earnings of non-timely-employed job holders to catch up to those of their timely-employed counterparts.* However, unless the non-timely-employed job holders secure jobs with earnings higher than those of their timely-employed peers, it is unrealistic to assume a constant rate of decrease per year in the gap because the timely-employed population would also advance in their careers and receive salary increases.^{13, 14}

Moreover, this scenario overlooks other important factors, such as the cost of college attendance. For those with student loans, prolonged repayment periods with accruing interest may extend the time needed to achieve the same standard of living as their timely-employed peers. *Additionally, periods of unemployment further reduce lifetime earnings, making it even more challenging for the non-timely-employed population to match the financial outcomes of those who secure prompt employment.*

TIMELY EMPLOYMENT EARNINGS PREMIUM



Ensuring that students secure timely employment is important in that it has long-term benefits including better economic stability and higher lifetime earnings.

Implications for Nebraska

These findings highlight the critical role of college graduation, work experience, and field of study in securing timely employment. By promoting degree completion and work-integrated learner opportunities, Nebraska can enhance the economic stability of its workforce and reduce the long-term costs associated with unemployment and underemployment.

Terms:

Career Cluster

The area/field of work linked to a student's program of study in college.

Job Holder

Individuals who left a Nebraska public postsecondary institution (with or without a degree) and showed any employment record for at least one year during a two-year period after leaving the institution.

Stable Employment

Working for the same employer for three consecutive quarters.

Timely Employment

Securing stable employment in Nebraska within six months after leaving college.

Underemployment

Working part time or in a job that does not align with one's training or financial needs.

DATA NOTE:

The population under consideration is Nebraska public postsecondary exiters working in Nebraska. Nebraska public postsecondary exiters include anyone who was degree seeking at a Nebraska public postsecondary institution and left with or without a degree. NSWERS considers a person to be working in the state if there is evidence of Nebraska employment for at least one year within the two years following exit from a Nebraska public postsecondary institution. Employment in Nebraska is determined via Nebraska's Unemployment Insurance quarterly wage reports which covers an estimated 95-98 percent of total workers in Nebraska (NDOL, personal communication). Nebraska's Unemployment Insurance wage records do not include individuals whose employers are exempt from paying UI tax, such as: federal employees, members of the armed forces, the self-employed, proprietors, unpaid family workers, church employees, railroad workers covered by the railroad unemployment insurance system and students employed at a college or university as part of a financial aid package. Data is for all students who exited a Nebraska public postsecondary institution between 2015 and 2021.

SOURCE:

The data in this report is from NSWERS Data System, 2015-2023. The data includes records for public high schools and public postsecondary institutions in Nebraska. Data was not provided by Central Community College. Employment information is sourced from Nebraska's Unemployment Insurance quarterly wage reports. These provisional results are based on certified NSWERS data as of 10-14-2024. The provisional results in this brief may change because of data resubmissions by NSWERS Partners and/or Affiliates. For updated results, please contact support@nswers.org.

DISCLAIMER:

The data in this report is based on information provided to NSWERS by our partner agencies and institutions. While NSWERS strives for accuracy and reliability, official estimates should be obtained directly from the respective partners.

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