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WORKING PAPER

**Overeducation at the start of the career -
stepping stone or trap?**

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Overeducation at the start of the career - stepping stone or trap?^{*}

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This study investigates whether young unemployed graduates who accept a job below their level of education accelerate or delay the transition into a job that matches their level of education. We adopt the Timing of Events approach to identify this dynamic treatment effect using monthly calendar data from a representative sample of Flemish (Belgian) youth who started searching for a job right after leaving formal education. We find that overeducation is a trap. This trap is especially important early in the unemployment spell. Our results are robust across various specifications and for two overeducation measures.

JEL classification: C21, C41, I21, J24, J64

Keywords: overqualification, underemployment, school-to-work transitions, duration analysis, dynamic treatment

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