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WORKING PAPER

Overeducation in the early career of secondary education graduates: An analysis using sequence techniques

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Overeducation in the early career of secondary education graduates: An analysis using sequence techniques[†]

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Abstract

Based on monthly observations of their labour market status in the first seven years after leaving education, this paper uses optimal matching sequence analysis to construct a typology of entry-patterns of Flemish secondary education graduates. Our main finding is that for a significant number of young people overeducation constitutes a persistent problem, affecting about half of the sample for nearly the full observation period. Investigating the risk factors involved, we find that some factors, such as having lower human capital endowments or facing job search constraints, enhance the risk of following disadvantageous trajectories. Having a lower reservation wage seems to make being persistently overeducated more likely. Yet, starting as 'overeducated' does not necessarily lead to being stuck in that state for the rest of the career. About 7% of our sample succeeds in entering an adequate position even after being overeducated for a relatively long period.

Keywords:

Underemployment, overqualification, optimal matching, youth labour market

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