

## Educational Attainment Rates in the Fifth District

This issue of *5th District Footprint* discusses changes in educational attainment in the Fifth District between 1990 and 2012. Human capital accumulation, such as the awarding of a bachelor's degree, has long been thought of as a potential pathway to economic mobility. Data show that individuals who attain higher levels of education earn more on average than those with less education.<sup>1</sup>

In 1990, 20.3 percent of people 25 years and over in the U.S. had at least a bachelor's degree.<sup>2</sup> In 2012, the national rate climbed to 28.5 percent, a change of 8.2 percentage points.<sup>3</sup> Within the Fifth District, the 1990 state rates ranged from a low of 10.1 percent (West Virginia) to a high of 19.6 (Maryland). The 2012 state rates ranged from a low of 14.4 percent (West Virginia) to a high of 29.2 percent (Maryland). For the District of Columbia, its 1990 rate was 33.3 percent rising to 51.2 percent in 2012.

Within the Fifth District, Falls Church City, Va. had the highest share of people 25 years and over with a bachelor's degree or higher in 1990 (52.8 percent) and 2012 (72.8 percent). Grayson County, Va. (4.2 percent) and McDowell County, W.Va. (5.7 percent) had the lowest share in 1990 and 2012, respectively.

Looking at the county-level changes in educational attainment between 1990 and 2012, Loudoun County, Va. had the largest absolute growth from 32.7 percent to 57.9 percent -- an increase of 25.2 percentage points. The largest decline occurred in Essex County, Va. from 16.4 to 14.8 -- a decline of 1.6 percentage points.

Changes in educational attainment may be a reflection of population growth or lack thereof. For example, Loudoun County, which had the District's largest percentage point change, experienced a population increase of

226,182 from 1990 to 2012.<sup>4</sup> Further, some of the counties with the lowest rates of educational attainment in West Virginia are mountainous areas with challenging terrain which may limit population growth.

As mentioned earlier, completing higher levels of education may have a positive effect on an individual's labor market outcomes. Nationally in 2013, those with a bachelor's degree or higher had lower unemployment rates and higher median weekly earnings.<sup>5</sup> It should be noted, however, that for those completing only some college without having been awarded a degree, the earnings benefits are relatively small.<sup>6</sup> Further, individuals who take on student loans to finance their education yet never complete their degree still have to pay off their student loans. The debt burden from financing

one's education may outweigh any income boost from partial college attendance. While there are many positive economic benefits from attaining a college degree, one must weigh both the risks and rewards of pursuing a college education.

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1. Athreya, Kartik, et al., "Expanding the Scope of Workforce Development," *Federal Reserve Bank of Richmond Economic Brief*, May 2014.  
2. U.S. Census Bureau, *1990 Decennial Census*.  
3. U.S. Census Bureau, *2008-2012 American Community Survey 5-Year Estimates*, Table DP02.  
4. *Ibid*; U.S. Census Bureau, *1990 Decennial Census*.  
5. U.S. Department of Labor, U.S. Bureau of Labor Statistics, *Earnings and unemployment rates by educational attainment*.  
6. *Ibid*.

