

College grads will do just fine: This is a tale of two downturns

By [Richard Florida](#)

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What a time to be graduating college. The media are chock-full of stories about how tough it is out there. "With the obvious exception of youngsters born during the [Great Depression](#), no generation in American history faces more daunting obstacles," writes a dour [Joe Queenan](#) in [The Wall Street Journal](#). Oh, boy.

There's no question that this year's 1.6 million college graduates are entering the job market during one of [America's](#) worst economic crises. Last week's job data made a grim picture look even worse.

But this does not mean that college grads are facing unprecedented kinds of trouble. The unemployment rate for young people between the ages of 15 and 24 is sky-high, approaching nearly 20% - but that includes all young people, including high school dropouts. The unemployment rate for college grads is less than 5% - high by comparative standards of the past decade, but still in the range of structural unemployment.

Though journalists are having an especially hard time in this economy (which might help account for such negative reporting), the overall rate of unemployment for those in professional and technical fields is about 5%. It's low for scientists and engineers. It's low for education and health care professionals. It's even low, in the 4% range, for people in finance. Once again, it's blue-collar workers in manufacturing and construction who have been hardest hit, with rates as high as 20%.

The bitter truth of this recession is that it has been a tale of two downturns. Older blue-collar workers have been devastated. While white-collar workers have taken a blow, their recession has been comparatively milder.

And not only are college grads insulated from the worst of the recession by their status as knowledge workers, but the places most of them choose to live have fared fairly well throughout the downturn. [Washington](#), [San Francisco](#), [Boston](#), [Chicago](#) and even [New York City](#) have relatively low levels of unemployment. Generally speaking, the more college grads a city or metro area has, the lower its unemployment rate.

There are two additional reasons that this is not the worst of times for young grads. One,

the downturn forces them to think much more seriously about what they really want to do.

During the boom years, with all those high-paying corporate entry-level jobs awaiting, too many students went for the bucks and landed up in careers that were unsatisfying and unfulfilling. Trust me, I've gotten their tear-filled calls. Young people are better off finding vocations that give their lives meaning and purpose, not jumping after the almighty dollar.

Two, now is a time of unprecedented choice. In my day, you could become a junior organization man in a big company or go to graduate school. Today, you can join a startup, work in a nonprofit, or, for that matter create your own business. According to the just-released Kaufman Index of Entrepreneurial Activity, business startups are at an all-time high, exceeding even the number created during the tech boom in the late '90s.

This is no run-of-the-mill economic recession but a full-blown economic reset, the kind that comes around once every generation or two. Eras like the current one redefine our economy and our society in powerful ways, giving rise to the life-altering "gales of creative destruction" identified by the great economist [Joseph Schumpeter](#). These are periods of unparalleled change and transformation in everything we do - from the way we work to the way we live - that pave the way for new epochs of growth and prosperity.

College grads today are not just on the front lines of such an epochal transformation, they have the inclination, the attitudes and the skills to help define it. It may not be the best time to rake in the dough, but it is surely among the very best of times to experience and help define something completely new.

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