

Report on Business

It's time to debunk the 'educated barista' myth

By BARRIE McKENNA

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Perhaps you know her – the [Starbucks](#) barista with a masters in English literature.

No? It turns out she's more urban legend than reality.

Worse, the cliché sends the distressing message to young people that education doesn't matter and that a degree in anything other than engineering or science is virtually worthless.

The perception is patently false.

All of the available data overwhelmingly show that education and training matter a lot. People with postsecondary education make more money, they're less likely to be unemployed and they land better jobs. And if you have dreams of reaching the top 1 per cent of income earners, stay in school. Two-thirds of one-percenters have at least one university degree, according to Statistics Canada. Of course, there are examples of overeducated graduates working in low-skilled jobs.

But they are the exception, not the rule. The key lesson here is that more education beats less education virtually every time.

Groundbreaking new research by a team headed by University of Ottawa labour economist Ross Finnie and funded by the federal government examined the earnings of university and college graduates in the years after they leave school. The study, titled Barista or Better, matched 340,000 graduates from 14 colleges and universities across four provinces with income tax data from 2005 to 2013 to create a refreshingly clear and dynamic portrait of outcomes.

And guess what? Average incomes rose rapidly in the years after graduation across all fields, including the "oft maligned" humanities and social sciences, according to the study, the first of its kind in Canada.

Over all, the class of 2005 earned an average of \$42,500 in the first year after graduation, growing 66 per cent to nearly \$75,000 by year eight.

That's an annual growth rate of better than 8 per cent, even through the depths of the 200809 recession. Not bad, all things considered.

"We've been torturing our children, inappropriately and wrongly, based on bad data," Mr. Finnie, director of the university's Education Policy Research Initiative, lamented in an interview. "The debunking [of the barista myth] is critical."

As it turned out, the study found that very few of the graduates had "truly barista-level earnings even to start, and they increasingly moved further from that level as they gained labour market experience."

University graduates generally did better than college graduates.

And some graduates did much better than the average, notably those with engineering, mathematics, computer science and business degrees. Engineers, for example, topped \$100,000 in annual earnings by year eight, according to the study, which excluded those who pursued degrees beyond college diplomas or bachelor's degrees.

That's understandable. These are more technical fields, where workers are in higher demand and graduates more scarce.

The most encouraging aspect of the research is that even English or history graduates are finding their degrees have substantial value in the Canadian workplace.

Maybe these graduates don't know about fluid dynamics and stress loads, but chances are they're good communicators, team workers and problem solvers – skills that employers also value highly. Indeed, a common complaint among technology companies is that too many recruits lack the softer skills that are so essential in the business world. And these are talents that are often more developed among social science graduates.

"It is not because someone has read Plato or Aristotle that they are being hired," Mr. Finnie explained to The Globe and Mail's Rachelle Younglai. "They don't have training for what you see in job ads. ... They have other skills, like critical thinking."

There is, of course, much we still don't know about factors that affect the incomes of recent graduates, including race, socioeconomic background and the specifics of their college or university program. Do co-op programs, for example, lead to better wages after graduation, and how can schools tailor what they do to improve students' job prospects?

Obviously, there is a need in Canada to better match the education system to the evolving needs of employers. Colleges and universities can always do a better job of churning out workers the market needs. And companies need to invest more in training to turn new recruits into the employees they want.

What we do know is that a low level of education is a sentence to a life of low wages and bad jobs.

It's time to retire the barista myth.

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