

DISTRIBUTION OF POPULATION BY EDUCATION AND INCOME

Key Findings: Canada, France, Germany, Italy, United Kingdom, United States

Forty-four percent of U.S. adults whose highest educational attainment was at the lower secondary level or below earned at or below half of the median income of U.S. adults. The U.S. percentage was higher than the corresponding percentages in all of the other G-8 countries.

Observing the distribution of populations at various education levels by earnings is one way to examine the relationship between education and earnings across countries. In this indicator, the extent to which higher levels of educational attainment are linked to higher incomes is examined across the populations of the G-8 countries.

In all of the G-8 countries reporting data, adults with a relatively low level of education (i.e., those whose highest educational attainment is at the lower secondary level or below) tended to have lower income levels. For example, 83 percent of U.S. adults ages 25 to 64 whose highest educational attainment was at the lower secondary level or below earned at or below the median income of U.S. adults in 2004 (table 5). The U.S. percentage was higher than the corresponding percentages in all of the other G-8 countries except the United Kingdom (also at 83 percent). The four other G-8 countries had percentages that ranged from 62 percent in Italy to 69 percent in France. Many people with low levels of education also earned at or below half of the median income; 44 percent of U.S. adults whose highest educational attainment was at the lower secondary level or below earned at or below half of the median income of U.S. adults in 2004. The U.S. percentage was higher than the corresponding percentages in all of the other G-8 countries, with those for Italy and France being the lowest (19 and 17 percent, respectively). In contrast, the percentage of adults at or below the level of lower secondary education who had more than two times the median income of all 25- to 64-year-olds in their respective

countries ranged from 1 percent in the United Kingdom and Germany to 9 percent in Italy, with the United States at 2 percent.

Across the G-8 countries, adults who had completed academic higher education tended to have higher income levels. For example, 69 percent of U.S. adults ages 25 to 64 who had completed academic higher education earned more than the median income of U.S. adults in 2004 (table 5 and figure 20). In the other G-8 countries, the corresponding percentages ranged from 67 percent in Canada to 79 percent in France. Many people with high levels of education also earned more than two times the median income; 30 percent of U.S. adults ages 25 to 64 who had completed academic higher education earned more than two times the median income of U.S. adults in 2004 (table 5). The corresponding percentages in the other G-8 countries ranged from 23 percent in Germany to 34 percent in Italy. In contrast, less than 10 percent of adults who had completed academic higher education earned at or below half of the median income in three G-8 countries (France, the United Kingdom, and Italy). The corresponding percentages in the other G-8 countries were 12 percent in the United States, 13 percent in Germany, and 18 percent in Canada.

Compared to adults whose highest level of education was lower secondary or below or academic higher education, adults ages 25 to 64 whose highest educational attainment was upper secondary education or postsecondary vocational training were more evenly divided with respect to earning at or below the median income and earning more than the median income. Across the G-8 countries, no more than 60 percent of adults earned at or below the median income of adults in their respective countries, and no less than 40 percent earned more than the median income of adults in their respective countries.

Definitions and Methodology

Income refers to pretax income.

As shown in the table and figure, education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A. Individuals whose highest level of education is academic higher education have completed at least a first university degree program,

which prepares students for advanced research and highly qualified professions. First university degree programs vary in duration in different countries in different programs of study. In the United States, the first university degree corresponds to a bachelor's degree; it excludes associate's degrees.

Table 5. Percentage of the population aged 25 to 64, by highest level of education, income, and country: 2004

Education level and income	Canada ¹	France	Germany	Italy ²	United Kingdom ³	United States
Lower secondary level or below⁴						
At or below half of the median income	37.9	17.1	25.2	19.5	37.9	44.3
At or below the median income	67.8	69.0	63.8	61.8	82.6	83.4
More than the median income	32.2	31.0	36.2	38.2	17.4	16.6
More than two times the median income	6.4	2.3	1.4	8.5	1.4	1.8
Upper secondary education or postsecondary vocational training⁵						
At or below half of the median income	27.7	8.2	23.0	10.1	21.4	24.1
At or below the median income	54.5	55.1	56.8	45.1	58.8	60.0
More than the median income	45.5	44.9	43.2	54.9	41.2	40.1
More than two times the median income	11.1	4.4	5.3	14.9	6.3	8.3
Academic higher education⁶						
At or below half of the median income	17.8	4.1	13.4	6.8	6.1	12.0
At or below the median income	33.1	20.6	31.7	26.7	22.1	30.8
More than the median income	66.9	79.4	68.3	73.3	77.9	69.2
More than two times the median income	32.8	26.4	23.2	34.1	29.1	30.4

¹Reference year is 2003 rather than 2004.

²Reference year is 2002 rather than 2004.

³The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

⁴Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

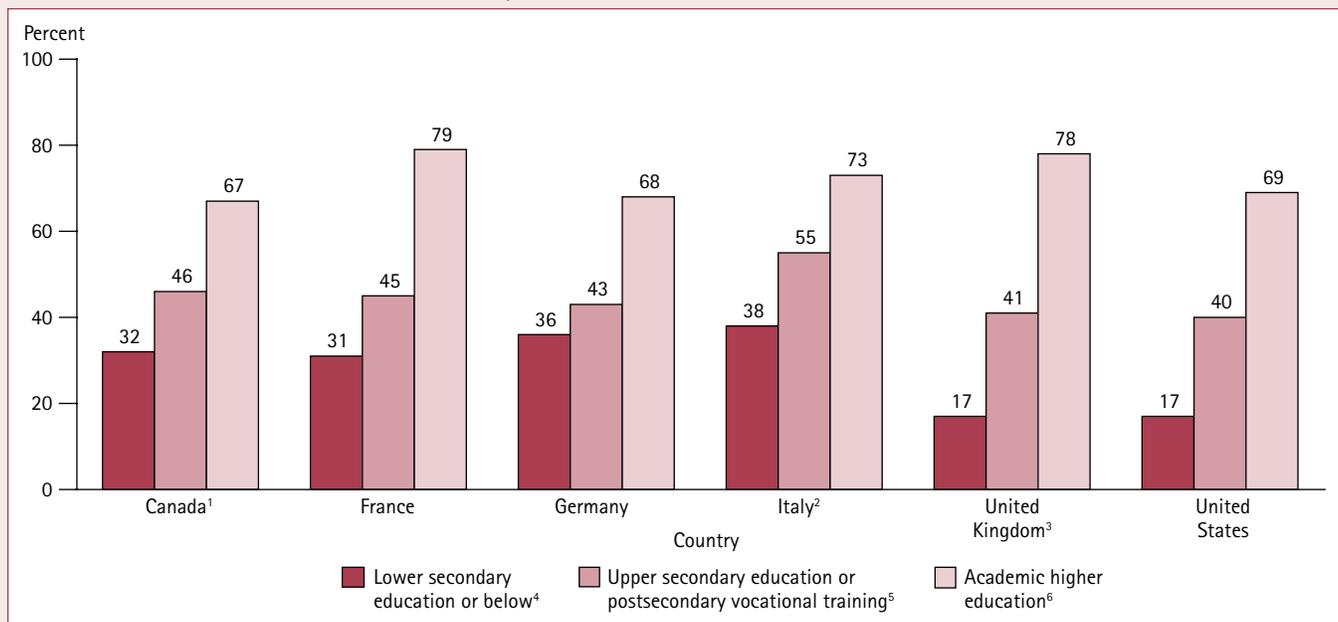
⁵Includes ISCED levels 3 (upper secondary education) and 4 (postsecondary nontertiary programs).

⁶Includes ISCED levels 5A (academic higher education below the doctoral level) and 6 (doctoral level of academic higher education).

NOTE: Education levels are defined according to the International Standard Classification of Education (ISCED). For more information on the ISCED levels, see appendix A in this report.

SOURCE: Organization for Economic Cooperation and Development (OECD). (2006). *Education at a Glance: OECD Indicators 2006*, table A9.4a. Paris: Author.

Figure 20. Percentage of the population aged 25 to 64 who earned more than the median income, by highest level of education and country: 2004



¹Reference year is 2003 rather than 2004.

²Reference year is 2002 rather than 2004.

³The United Kingdom includes England, Northern Ireland, Scotland, and Wales.

⁴Includes ISCED levels 0 (preprimary education), 1 (primary education), and 2 (lower secondary education).

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