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ABSTRACT

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Wages and the university educated: a paradox resolved

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If the university educated are flooding the job market, so that many must take jobs previously held by those with just a high school diploma, then why are the wages of these university-educated workers rising? Using much more detailed data on occupations than those in recent literature, and taking into account the functional literacy of the workers, this article shows that it is primarily those university graduates lacking university-level literacy skills who are taking the high school jobs. It is chiefly the university educated in jobs requiring university-level skills who are obtaining the major wage increases.

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