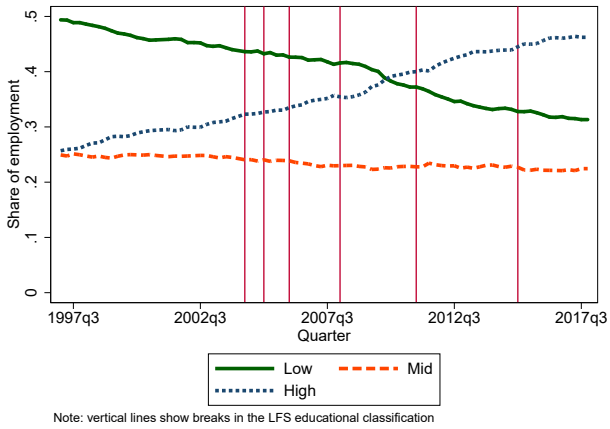
1 Revisiting the education classification

- Here I explore what happens when I change the grouping of the educational variable.
- "Raw" education variable has as levels:
  - 0: No qualification
  - 1: GCSE below grade C
  - 2: O levels, GCSE A-C
  - 3: A level / GCE A*
  - 4: Bachelor's+
- The two groupings I try differ in where do I put GCSE A-C.

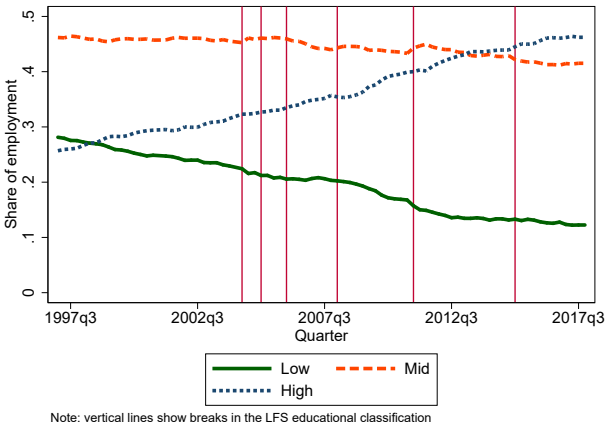
	No qualification	**GCSE below C**	**GCSE A-C**	**A levels**	**Bachelor's**
Original	Low			Medium	High
New grouping	Low		Medium		High

Figure 1: LFS: employment shares by educational level

(a) GCSE A-C as Low education



(b) GCSE A-C as Medium education



1.1 Jobs at the boundary

Let $s_j(o), j \in \{H, M, L\}$ denote the share o-workers with education level j. Denote as $p_i(o)$ the i-th largest element of $\{s_H(o), s_M(o), s_L(o)\}$. A job is in the boundary iff:

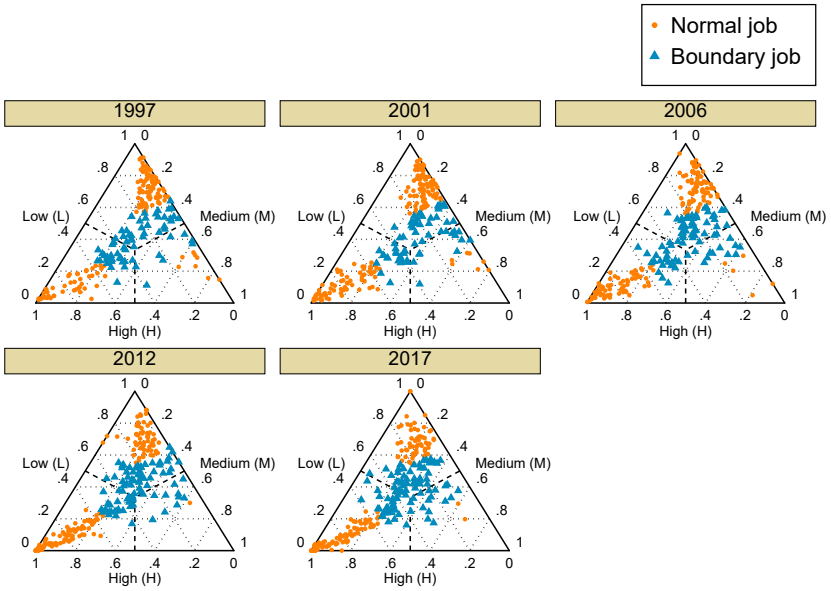
$$p_1(o) - p_2(o) \leq 2R - 1$$

where R is the boundary threshold.

Figure 2 show how the boundary looks like under the different education groupings. I changed the threshold because 65% is way too loose when I put GCSE A-C in the Medium education bucket.

Figure 2: Boundary jobs under different education groupings

(a) GCSE A-C as Low education, 65% threshold



(b) GCSE A-C as Medium education, 57% threshold

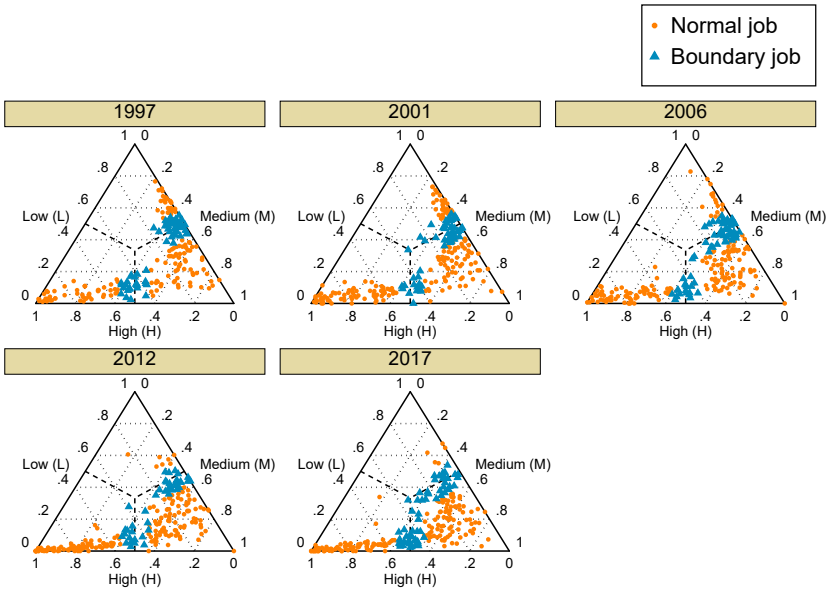
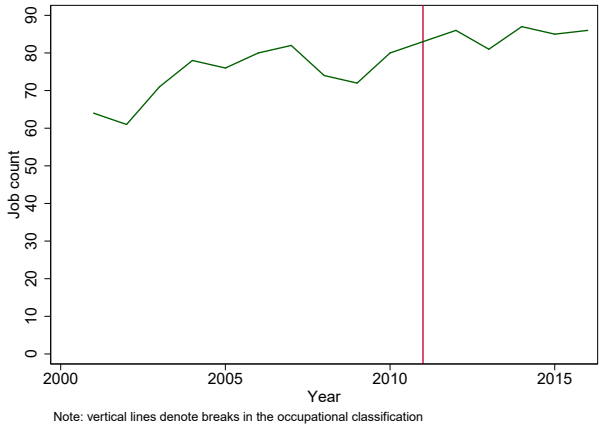


Figure 3: Number of jobs in the boundary

(a) GCSE A-C as Low education, 65% threshold



(b) GCSE A-C as Medium education, 57% threshold

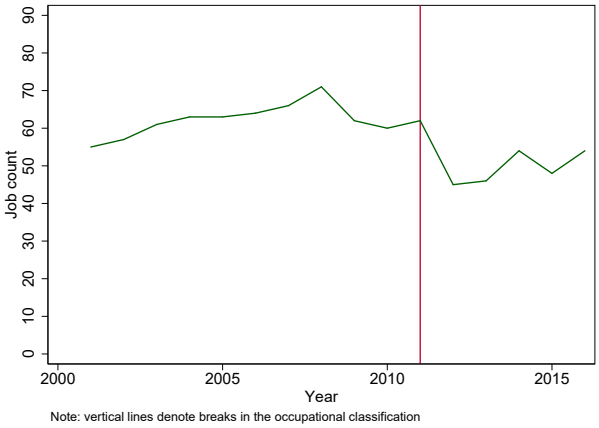
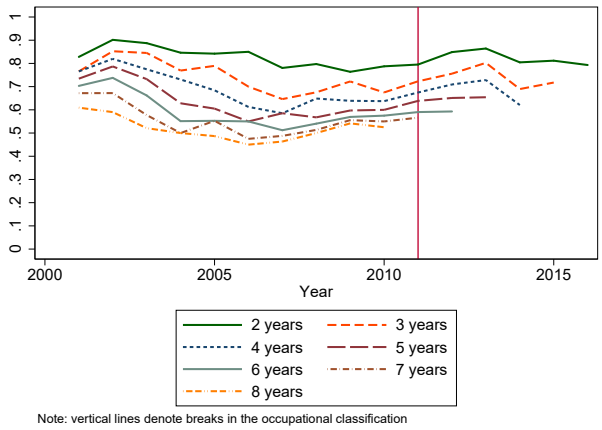


Figure 4: Share of jobs in the boundary, staying in the boundary in the next x years

(a) GCSE A-C as Low education, 65% threshold



(b) GCSE A-C as Medium education, 57% threshold