

and cover period between 2000Q2 and 2017Q3. If not otherwise stated, (net) hires and separations are expressed as a share of employment.

Figures 1a and 1b plot hires from, and separations to, persistent nonemployment across education groups. One can observe that the hiring rate and separation rate are inversely related to educational attainment, i.e., less educated workers have larger inflow and outflow rates to persistent nonemployment.

To get a clearer picture of who is more affected by business cycle fluctuations, we look at the difference between the two rates. Figure 2 shows net worker flows—hires minus separations—by educational attainment. It shows that during the recession, net hiring for the group of workers with the lowest educational attainment declined much more than for the group with the highest educational attainment; during downturns, the less educated segments of the labour market experience more adverse developments than segments for the more educated. This pattern is particularly notable during the Great Recession when the net hiring for the group with less than high school dropped by more than twice as much as for the group with the bachelor's or higher degree. While less extreme, the same pattern is observed during the milder 2001 recession.

Notably, at the onset of recovery, the net hiring in the groups with the lowest educational attainment is also the one that exhibits the largest jump upwards. Again the pattern is such that the upward jumps are more extreme for the less educated groups, and the magnitudes of the increases decrease with education. This indicates that the groups with lower education, while being those that are most exposed to the net job loss in the recession, are also the groups who are the most exposed to net job gain when the recession is over.

Table 7 shows summary statistics for our sample. Less educated workers experience larger inflow and outflow rates to nonemployment, and these rates are also more volatile. This confirms that less educated workers face a higher risk of going to, or coming from, nonemployment. For example, the rate of hires and separations for the workers in the lowest education group is two to three times larger than for the workers in the highest education group, and the volatilities of these rates are about three times higher for the least educated than for the most educated.

With the LEHD data, we, unfortunately, cannot calculate job finding rates, but only their *proxies* across education groups. The reason is that a job finding rate is defined as a ratio of unemployed workers who find a job over the number of unemployed. However, in the LEHD data, we observe only hires from nonemployment, which is a broader concept than unemployment, as it also includes workers who are not in the labour force. Nevertheless, we report these "rates" (expressed as a share of an average employment within the education group) in the last row of Table 7, as they at least give some notion of the ranking of these rates between education groups. Note that these proxies for job finding rates are increasing with educational attainment (except for the group of less than high school, but this group is very small in the data).

To further investigate whether workers with low(er) educational attainment face larger