Recurring issues for education policy-makers surround the adequacies of the supply of and demand for university graduates. The concept of “graduate jobs” provides a novel lens to address those questions.

Using data from the BiBB/BAuA Erwerbstätigenbefragung, we derive a task-based indicator of graduate jobs for Germany that groups 3-digit KldB1992 occupations into graduate and non-graduate occupations for 2006 and 2012. As in Green and Henseke (2016) for Britain, the classification approach proves conceptually consistent, generates a plausible distribution of graduate occupations, and predicts wages, skills utilisation and job satisfaction at least as well as an alternative indicator of high-level skill requirements based on KldB2010.

Interrogating the Erwerbstätigenbefragung further with our classifier reveals a largely stable graduate labour market. Around a quarter of the labour force has been deployed in graduate jobs and a similar share of the employed labour force has gained higher education credentials. Of those, 26% work in non-graduate occupations. But whereas the aggregate figures have hardly changed between 2006 and 2012, there has been a significant expansion of graduate employment and less overeducation in the age bracket 25-35 whilst conditions among 55+ year olds have worsened. Upskilling within occupations has boosted the employment share of graduate jobs and, in a few instances, compensated a general decline. Furthermore, monetary returns to higher education have risen across the entire pay distribution without signs of a growing dispersion. A shrinking wage penalty of overeducation from 22 to 15 percent further supports these patterns. Examining international data from Survey of Adult Skills suggests that the relatively low frequency of graduate jobs in Germany can be partially explained by the skill gap between higher education and vocational training and the quality of the higher education system.