This paper, based on data from Survey of Family Income and Expenditure of Taiwan, shows that the recent trends of job match in Taiwan labor market have been marked by increasing proportion of overeducated workers due to the higher education expansion policy, while the incidence of undereducation continues to decline. Furthermore, workers’ economic position is not completely determined by their educational levels. Working experience also plays an important role in workers’ job placement and their wages. Workers with relatively less working experience are more likely to be overeducated, while workers with relatively more working experience are more likely to be undereducated. Overeducated (Undereducated) workers would earn more (less) than their co-workers with adequate education but less (more) than the workers having the same educational level with adequate education for jobs. However, the rewards (penalties) to adequate education and overeducation (undereducation) decline as more experience accumulated. Evidence also shows effect of bumping down from overeducation on the wages and employment of lower educated workers.

Keywords: Overeducation, Wage, Bumping Down, Labor Market, Taiwan
JEL classification: I21, J23, J31