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“The Conventional Wisdom on Higher Education – Not Just Wrong, but Harmful”

The case I’m going to present began taking shape in my mind in September of 1980.

After having foolishly devoted three years to earning a law degree, I realized that I would rather teach than practice law. While job hunting in the summer of 1980, I was lucky enough to hear about a small college with a decidedly free-market perspective that was in desperate need of someone who could teach economics, business law, and a few other courses.

I was hired in July and started preparing for the courses I’d be teaching. One of them was an ethics course for juniors and seniors. About two weeks into the semester, one of the readings in the text raised the issue of “social justice” and I figured that the students should read F.A. Hayek’s attack on that concept. I copied a few pages from his book *The Mirage of Social Justice* and handed the material out at the end of a Thursday class, telling the students that I wanted them to have read it and be ready to discuss it on Monday.

In Monday’s class, I asked several questions intended to catalyze discussion of Hayek’s argument that “social justice” is not just meaningless but a dangerous idea. But each question drew only puzzled looks, yawns, and downcast eyes. It began to dawn on me that the students had either not bothered to do the reading, or if they had, nothing from it had stuck in their heads.

At last, after much painful silence, one young fellow raised his hand. I called on him eagerly. He said, “Couldn’t you just, y’know, tell us the main point?”

I tried to gently rebuke him and the whole the class, saying that college isn’t about simply memorizing a few “main points” but rather should be about learning to pry out meaning on your own. You can’t go through life waiting for others to always tell you “the main point,” after all.

That incident made a big impact on me. I had already begun to suspect that many of the students I had were not much interested in learning and that class confirmed it. As I got to know the students better and better, I discovered that few of them had any sparks of intellectual curiosity. Most were academically weak and disengaged, with reading and writing skills that would have been thought poor for grade schoolers back when I was in grade school. Mostly, they were in college because it was fun to get away from home and because they assumed that having a college degree was the ticket to a good career and prosperity.

I began to see, in short, that college had been oversold.

My teaching career came to an end in the fall of 1989 and the reasons why are also pertinent to my case. For years I had ignored suggestions from the administration that I was too hard on the students. My grade average was one of the lowest at the school – only a few hard-nosed accounting professors were usually lower – and some students were choosing to take Business Law at a community college where the amount of work was less and it was easy to get at least a B. The school was concerned about the loss of revenue. Therefore, I was given an ultimatum: either I had to make my courses more “user friendly” or else my contract would not be renewed.

I didn’t think that I was too hard on the students. Those who made any decent effort passed. The problem, as I saw it, was that a large percentage of the students were used to passing without putting forth the least bit of effort. They hated the few courses where their enjoyment of college life was hampered by the need to read and study. Instead of caving in, I decided to quit.

Ten years later I was hired for a think tank job involving higher education, director of the Pope Center, then a branch of North Carolina’s John Locke Foundation. As I immersed myself in the world of American higher education and especially its problems, I came to see that there is a conventional wisdom about higher education – a galaxy of ideas that’s overwhelmingly accepted by education leaders, politicians, and most of the public. At the center of that galaxy, to continue the astronomical allusion, is a pulsar that keeps sending out the core idea. MORE EDUCATION IS GOOD. MORE EDUCATION IS GOOD. MORE EDUCATION IS GOOD.

The “education” there means formal education. Excluded is education that occurs on the job or is undertaken individually. It’s not that such education is bad, but that we must place our trust in organized education that’s overseen by experts.

What I want to do with my remaining time is to take a critical look at some of the main ideas in the galaxy of conventional wisdom. I’ll argue that those ideas are mistaken and that their acceptance by policy-makers has some adverse consequences for the country. Here’s the first:

College education adds greatly to a person’s knowledge and skill base, thereby increasing his lifetime earnings.

We hear constantly that getting a college degree is a great “investment” for both the individual and the nation because people with degrees earn much more than do people without them. It’s almost always assumed that the years of college work is responsible for this high level of success and that if only we could get more people into and through college, we would have a more prosperous society.

It is true that on average, people with college degrees earn substantially more than do those without them, but it does not follow that this higher earnings level is caused by the

human capital gains from college studies. Nor does it follow that putting anyone who has not gone to college through to a degree will give him any earnings boost at all, much less the million dollar figure that is carelessly tossed around.

Now, I'm emphatically not saying that college education never does any good for any student. I'm confident that I learned some useful things in my college years. I'm even more confident that my son at Duke with his dual major in mathematics and biology, is adding to his stock of human capital. My contention is that it's a mistake to assume that every college student gains in useful knowledge and skills from his college courses.

We shouldn't jump to the conclusion that high-income people who are college graduates enjoy that success because they went to college. Most of them already have an abundance of knowledge, skill, and ambition before taking any college classes. Whether their studies enhance their productivity or not, they'd still have greater financial success in life than those who have less natural ability and drive.

And on the other hand, it's clear that many of those who have graduated from college derive little or no benefit from it. Several years ago I discovered that the Bureau of Labor Statistics keeps track of the level of education of workers in a vast number of occupations. For years I had been hearing anecdotes about PhDs delivering pizza and the like, but the BLS provides hard numbers to show that lots of Americans with college credentials are employed in mundane jobs that could be done by almost any moderately bright high school kid.

Here are just a couple of data points I recently pulled from the BLS site. In the job category of "baggage porters and bellhops," 33 percent have "some college" (that is, they took some classes but did not graduate) and 16 percent have a BA degree or higher. In the job category "ushers, lobby attendants and ticket takers," 30 percent have "some college" and 17.5 percent have a BA degree or higher. There is much more information like that, showing that we have such a glut of college graduates that they are spilling over into work that demands nothing more than basic trainability.

It isn't true that college adds a lot of "human capital" to every student and it also isn't true that there are good-paying jobs for every graduate. Believing that we can make everyone better off by sending him through college is like believing we can make everyone better off just by printing up more and more money.

Here's a second belief:

Economic growth and competitiveness depends on an increasing level of educational attainment.

It is widely believed that our national prosperity hinges on maintaining a high level of formal education in our labor force – and best of all to have the position of international "leadership."

For example, in his speech to Congress last February, President Obama asserted that the country needs to regain the place we once held as the nation with the highest percentage of college graduates in its workforce in the world. The president's idea is perfectly consistent with the pulsar: MORE EDUCATION IS BETTER.

The trouble here is that there is no necessary relationship between the level of formal education and prosperity in a nation. Just as there is no necessary connection between an individual's educational level and his income, so is there no necessary connection between the general level of education in a country and its prosperity.

In her excellent and iconoclastic 2003 book *Does Education Matter?* Alison Wolf, who teaches at King's College in London, examined the assumption that there is a direct relationship between a nation's educational level and its standard of living. She found that the assumption does not hold. There are prosperous and economically advanced countries (for example, Switzerland) that have less "investment" in education than other countries with poorer economies but more "investment" in education (for example, Egypt).

Maximum prosperity in a nation does not come from pushing more and more formal education. Rather, it's a result of finding the optimal level of investment in both physical and human capital. Individuals and firms are quite good at discovering the level of knowledge and training that maximizes productivity, and much of that comes from personal and on-the-job learning rather than formal courses.

I have often heard it said that America's great post-war economic surge was due to sending many veterans to college under the GI Bill, but that proves nothing because the US had the world's most vibrant economy back in the 19th century and early 20th century when there was comparatively little college education.

Back when my grandfather was a young man starting a business just about a century ago, the US was a highly skilled and educated country, but most of that skill and education was derived outside of formal education. We had no shortage of excellent engineers, architects, accountants, lawyers, teachers, and so forth, but few of them had college educations. The GI Bill did not give the nation a "more educated" workforce; all it changed was to put a college degree in front of the process of learning many occupations.

Eventually, having college credentials would become a requirement for a great many fields, but that is not because only individuals who've been to college could possibly learn what's needed to do the job. Rather, it's because college is now treated as the proving ground that high school used to be. When people say that most good jobs now require a degree, that just means that companies won't consider high school graduates. I recently heard, for example, that Enterprise Rent-a-Car only hires college grads for its service positions. Obviously you don't have to completed college to learn that work.

But what about the fact that several other nations now surpass the US in terms of the percentage of the labor force that has a college education? Belgium and Finland already have a higher percentage, at least of younger workers, but what many are really worrying

about is China and India, which are said to be investing heavily in education, producing more scientists, engineers, and mathematicians than we are.

We should stop worrying. If it really makes the Belgians and Finns and Chinese and Indians more productive to push higher education – and I'm very skeptical about that; I suspect this is just rent-seeking on the part of the higher ed establishments in those countries -- that doesn't tell us anything about what we should do. Since we already have large numbers of people with college degrees in mundane jobs, it's clear that further expansion of higher education would be a poor use of resources. That's something that truly would damage our economy.

Third:

College education leads to good social outcomes such as better health and civic participation.

Advocates for the higher education establishment often haul out the argument that the nation benefits from having more and more people go to college because there are ancillary social benefits. For example, a report called the national report card on higher education put out by the National Center for Public Policy and Higher Education claims that besides the supposed economic benefits of promoting higher education, there are also social benefits including higher voting percentages, more volunteerism, and increased charitable giving. And I've even heard it said that college is good because college grads are less likely to smoke.

No doubt, all of those outcomes correlate with college, but it isn't true that college is their cause. People who are more inclined to civic participation and disinclined to smoke are apt to choose to go to college, but there's little reason to believe that being in college changes people in any of these respects. In fact, there is a lot of evidence that it doesn't do so, starting with a well-known smoker who went to Columbia and Harvard Law and now resides in the White House.

Thinking back to the panel earlier, I think that higher education does quite a lot of character formation – but unfortunately it's mostly bad. Under the influence of an overwhelmingly leftist professoriate, students often learn that it's virtuous to become an activist busybody eager to enlist government coercion to dictate how others must conduct their lives.

If there are behaviors we want to encourage or discourage, putting people through college is a very costly and ineffective way of doing so.

I'd like to turn now to some harms that stem from our mania for higher education.

Credential inflation.

One of the consequences of overselling college education is credential inflation. That is, once a certain level of formal education becomes commonplace, it takes a higher credential for top people to distinguish themselves.

Stanford University professor David Labaree hit the nail on the head in his book *How to Succeed in School Without Really Learning*, writing:

“The difficulty posed by the glut of graduates is not that the population becomes overeducated (such a state is difficult to imagine) but that it becomes overcredentialed, as people pursue diplomas less for the knowledge they are thereby acquiring than for the access that the diplomas themselves provide. The result is a spiral of credential inflation, for as each level of education in turn gradually floods with a crowd of ambitious consumers, individuals have to keep seeking ever higher levels of credentials in order to move a step ahead of the pack. In such a system, nobody wins....At all levels, this is an enormously wasteful system.”

Work that used to be done by people with a high school education or less is now often restricted to those with BA degrees, and many jobs that used to be done by college grads are now open only to those with MBAs. All of that formal education is often irrelevant to the work involved, but with a glut of people in the labor market with these educational credentials, employers can afford to screen out people with lesser ones. As James Engell and Anthony Dangerfield put it in *Saving Higher Education in the Age of Money*, “The U.S. has become the most rigidly credentialized society in the world. A BA is required for jobs that by no stretch of imagination need two years full-time training, let alone four.”

Credential inflation means we're wasting resources. People spend great amounts of time and money pursuing pieces of paper just so they can get over the credential hurdle and have a shot at employment that only calls for trainability, not advanced academic coursework in preparation.

Dumbing down the educational system.

Another adverse consequence of our overselling of higher education is that we dumb down the whole educational system.

As colleges have sought to keep growing by accepting increasing numbers of weak and disengaged students, they have chosen to accommodate the preference of such students for courses that are not rigorous by allowing (or as in my case, encouraging) professors to lower their standards and water down the material. Temple University English professor Stephen Zelnick writes that academic standards “went slack” in the 1990s “when Temple decided to open its doors to all and sundry in order to pay its bills.”

Not only have standards plunged and grades been inflated, but we now find the curriculum at many schools cluttered with courses on pop culture and leftist manias like global warming and “sustainability.” As a result, employers find that many college

graduates can't write a clear paragraph or do simple math, but can hector you on the imperative to recycle everything.

Furthermore, since so many high school grads (around 70 percent) now end up in college, the pressure that high schools used to feel to ensure that their students were well educated has eased. With most colleges doing remedial education, the K-12 system can slide into the easy path of passing students along even if they haven't learned much about reading, writing and math.

Bad influences

I'll add just one more point before closing. Higher education often has a bad influence on young people. For every professor like my two compatriots here, there are dozens who use their classrooms to push their collectivist, anti-market beliefs on students. Rarely do those beliefs have any relevance to the academic subject matter of the course. Even that well-known leftist intellectual Stanley Fish has complained that, for example, composition courses are often far more about the highly ideological reading material than they are about the competence with which the student writes about that material.

Overwhelmingly, American higher education promotes and reinforces ideas that are hostile to limited government and the market order. The longer students are in the presence of the professoriate, the more they're apt to absorb at least some of their belief system, which embraces a host of socialistic notions while rejecting capitalism. That, I believe, is the unspoken reason why Obama and his allies want to expand college education. They know that it tilts the political playing field in their favor.

At the root of all this waste and educational degradation is government subsidization of higher education. It plays the same role as government subsidization of home ownership, changing people's incentives, distorting the market, and wasting resources. I'm convinced that the change that would do the most good of all would be for the federal and state governments to withdraw from the financing of college education so that all costs would be borne by voluntary payers.

I'll conclude with this thought. It is frequently said that the United States is such a prosperous country because it has spent so much in educating its citizens. The truth, I submit, is exactly the reverse. Only a very prosperous country could afford to squander so much on an educational system as wasteful and inefficient as ours.