**Beyond the B.A.: why fewer people should get one**

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FOR decades, parents, guidance counselors, and government officials have given the nation's youth a consistent message: Go to college. Higher education is a good investment for just about everyone, because it opens doors to higher-paying jobs.

And for many students, college is indeed the best choice. Engineers and schoolteachers, not to mention doctors, lawyers, and countless other professionals, benefit from years of formal education beyond high school. Still others might think it worthwhile to pay tuition and put off full-time work simply to learn.

But the college phenomenon has stretched itself well beyond these boundaries: About 60 percent of high-school grads enroll in four-yearcolleges. Many drop out, and many of those who graduate end up in jobs that do not require degrees. When employers do insist on diplomas,it's often to make sure applicants have basic capabilities--not specific skills taught in school. And even specific skills can usually beacquired more quickly and cheaply in training and certification programs. In short, we have a system that sends far too many people to college.

The obvious counterargument lies in the college wage premium, or the degree to which college graduates out-earn highschool graduates. The premium is indeed large, and has grown in spurts since 1950. Its steepest rise took place from 1980 to 2000, from 25 percent to about 45 percent. College-for-everyone advocates often trot out this statistic as proof positive of their case. Who could oppose an investment with these returns?

The problem is this: Those who graduate from college do so becausethey have higher cognitive abilities, more perseverance, and a greater ability to defer gratification than those who do not. These qualities would help them succeed regardless of whether they went to college. In other words, to some extent, their graduating from college is not the reason for their success, but a consequence of the reasons fortheir success.

The usefulness of the college wage premium is limited in other ways. It doesn't include those who drop out. It doesn't subtract the various investments (tuition, debt, taxpayer subsidies, time spent out of the work force) that go into four-year degrees. It makes no distinctions between different schools and majors. And it doesn't factor in cost of living: One recent study found that college graduates tend tolive in metropolitan areas where everything costs more--so much morethat half the increase in the college wage premium between 1980 and 2000 disappeared when the author corrected for the difference.

To decide whether policy should encourage greater college enrollment, we must ask whether marginal students--those who enrolled mainly because it was expected of them--are succeeding, since this is the type of student most open to suasion. If they're thriving, we should send more like them. If they're having problems, scraping closer to thebottom of the college-eligibility barrel won't help anyone. The evidence favors the latter scenario.

It's rarely mentioned that this country has an enormous dropout problem. Of students who enroll in four-year universities, about 40 percent fail to earn degrees within six years.

Of course, there will always be people who leave school before finishing, so the ideal here isn't zero. But certainly it's much closer to zero than to 40 percent--the latter, when applied to the 2.2 million 2008 high-school grads who started four-year degrees, works out to880,000 people who in 2014 will have invested in college without finishing. That's a lot of wasted money, and a lot of time that could have been better spent building up skills in the work force or in training programs.

What about those who do graduate? A surprising number end up in jobs that do not require four-year degrees. Labor economists call this "mal-employment." The ideal mal-employment rate isn't zero, either: In any economy, some people will prepare for one career but end up in another. But in the first four months of 2007--that is, well before the recession--about 25 percent of 21- to 29-year-olds with bachelor'sdegrees were mal-employed, says Andrew Sum, director of NortheasternUniversity's Center for Labor Market Studies (CLMS). Another 15 percent were unemployed, meaning that only about 60 percent of college graduates in this age range were doing work that required college. Mal-employment is less common among older graduates, but only by a few percentage points, and the improvement stops around age 32, Sum says.

The mal-employed don't see much of the famed college wage premium.As of the first half of 2008, a mal-employed 21to 29-year-old made $619 a week, which was much closer to the earnings of an employed high-school graduate ($519) than to those of a college grad who utilized his degree ($850), according to a CLMS report.

True, that's still $100 a week. But factor in the average undergraduate studentloan debt of $17,500--payments on which amount to about $50 a week for ten years--not to mention the average $4,100 credit-card balance students accumulate by senior year. Recall the wages, savings, and investments students forgo by staying out of the labor forcefor four-plus years. And don't forget that, as explained above, the income gap would persist even if the higher earners had not gone to college; as the report states, "Controlling for [differences in reading, writing, and math ability] ... would reduce the net economic return from a college degree [to] close to zero for those not holding [jobs that require college]."

A training or two-year-degree program might have opened doors for these young adults that college didn't. In the 2007 report "America'sForgotten Middle-Skill Jobs," two Urban Institute researchers noted that "nearly half (about 45 percent) of all job openings between 2004and 2014 will be in middle-skill occupations"--jobs that require training beyond high school, but don't require four-year degrees.

The necessity of college even to jobs that formally require it canbe questioned: Is all this credentialing necessary? Instead of asking to see diplomas, couldn't businesses just test applicants to see what they know--using measures like those already employed in law (the bar) and accounting (the CPAexam)?

Perusing jobs on the website Monster. com, one often finds the words "bachelor's degree required/preferred," unaccompanied by any specific major, even in posts for jobs that intelligent high-school grads could clearly do. These employers require a B.A. only to ensure that their employees have basic math and language skills. A few minutes with a pencil and a sheet of paper could accomplish what requires four years today.

Tests can also certify students in fields that require specific skills. In his book Real Education, Charles Murray estimated that two-thirds of degrees awarded--in fields such as hotel management, journalism, criminal justice, social work, and public administration--could be replaced by training programs and certification tests.

One might reasonably ask: If testing is such a great idea, why hasn't the private sector already stumbled upon it? There are two reasons, both the result of government policies.

The first is that looking for degrees is a convenient and free screening method for employees. Thanks to massive tuition subsidies, about one in four American adults has a college degree--diplomas are rare enough to signify competence, but plentiful enough that employers can get away with requiring them. Employers would look to alternativesif the subsidies were cut or largely diverted to training and certifications.

The second reason is that, thanks to the Equal Employment Opportunity Commission's "disparate impact" rules, employers who use tests risk lawsuits if insufficient numbers of minorities pass. Ideally, these rules would be revoked; unfortunately, the Obama administration plans to enforce them more stringently. However, if enough people get fed up with high tuition and demand certification tests, a competitive market for tests will emerge; the companies behind the tests will have an incentive to defend their products in court whenever participating businesses are sued.

Today, young adults are forced through a lengthy, expensive weeding-out process: Of those who go to college, only 60 percent graduate within six years; at any given time, only about 60 percent of college graduates are employed in jobs that require degrees; and of these, many could have achieved equal or greater success in less time and for less money. Our policymakers should help them do so.

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