

EDUCATION AS AN *Entitlement*

How Making It Easy for Students to Go to College Has Harmed College—and Students

By George C. Leef

In a market, purchasers of goods and services usually pay full price for the things they buy and they usually have reasonably accurate information about the benefits they will get from them. In the automobile market, much as manufacturers might like to see it, most people do not drive luxury SUV models. Even if Cadillac were to advertise that life without its Escalade model would hardly be worth living, there would be little increase in sales. Most drivers know that the benefits are not sufficient to warrant the unsubsidized expense associated with buying and operating such a vehicle.

When it comes to higher education, however, the circumstances are different. Because of government subsidies, most students and their families do not have to bear the full cost of a decision to enroll in higher education. While we frequently hear complaints over the rising cost of going to college—most often in conjunction with a political proposal for action to solve this alleged problem—few American students have to forgo higher education for financial reasons. Researchers Jay Greene and

Greg Forster found that, in 2000, the number of students who enrolled in four-year institutions (1,341,000) was *greater* than the number who were qualified (1,299,000). The authors concluded: “While some college-ready students are undoubtedly denied the opportunity to attend college, the results of this study suggest that the number of such students is not large.” A 2004 report by the Congressional Budget Office came to the same conclusion, finding that financial hurdles are “not a major obstacle to college attendance.”

By keeping the price of college artificially low with state and federal subsidies, attendance is increased. The increase in demand for higher education has led to rising costs and calls for more governmental aid to offset them. Keeping the price of college artificially low also appears to have an adverse effect on student effort. The more heavily subsidized the student, the less effort he puts forth. Economist Aysegul Sahin summarizes her findings as follows: “[L]ow-tuition, high-subsidy policies cause an increase in the ratio of less highly-



motivated students among the college graduates and that even the highly-motivated ones respond to lower tuition levels by choosing to study less.”

Not only is college highly subsidized, but many young people obtain poor information about it. A major source of that information is high school teachers and counselors. Professors Kenneth Gray and Edwin Herr write in their book *Other Ways to Win*: “Among the ‘true believers’ in *one way to win* are high school teachers and guidance counselors. Both should know better. ... According to disturbing research by Oakes (1985) and others, teachers in the average high school have a pejorative view of noncollege-bound teens. ... An amazing 57.2% of the students in even the lowest quartile said their teachers had recommended that they go to college.”

Teachers and counselors strongly encourage most high school students—even academically weak ones—to enroll in college. Students repeatedly hear the conventional wisdom that getting a college degree will make the difference between a comfortable life and a life of drudgery. Rarely do they hear it said that going to college could be a costly mistake and that other opportunities might be better for them. The “go to college” siren song lures into higher education a large number of students who are not interested in college except as a means of obtaining a supposedly indispensable credential.

THE EDUCATIONAL VALUE OF COLLEGE

For many students, college is several years of fun between high school and the time when they’ll have to start earning a living—several years of “beer and circus,” to borrow the title of a book by Professor Murray Sperber. As Milton Friedman puts it, college “attract(s) many young men and women who come because the fees are low, residential housing and food are subsidized, and above all, many

other young people are there. For them, college is a pleasant interlude between high school and going to work.” Furthermore, many young people see going to college as the prerequisite to landing a good job and enjoying the good life. Those students want the *degree*, but with as little effort as possible. In David Labaree’s view, the credentialism rampant in American education undercuts learning since it means “directing attention away from the substance of education, reducing student motivation to learn the knowledge and skills that constitute the core of the educational curriculum.” With large numbers of students enrolled who have little or no interest in academic pursuits, it is hard to disagree with the view of Stephen Balch, President of the National Association of Scholars, that “we don’t so much have *higher* education as we have *longer* education.”

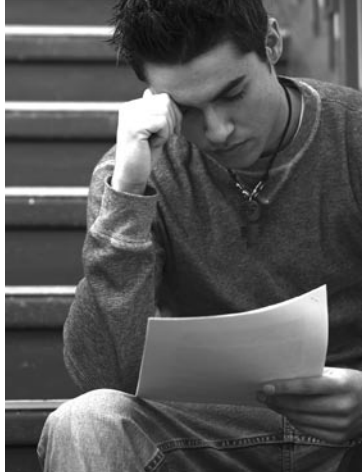
Why do colleges and universities want students who aren’t interested in studying? It’s because they bring in revenue. Many colleges and universities would face a tremendous financial problem if they accepted only serious, well-prepared students. Gray and Herr remark that the excess capacity at schools that have expanded “removes the obstacle of admissions standards; as enrollment declines, colleges take in fewer qualified applicants and then finally all applicants.” Some administrators even admit that they have made a Faustian bargain—large enrollments at the expense of academic integrity. Stephen C. Zelnick, vice provost for undergraduate studies at Temple University, says that academic demands on students “went slack” in the mid-1990s “when Temple decided to open its doors to all and sundry in order to pay its bills.”

Fifty years ago, when disengaged students were accepted in college (which was rarely the case), they would usually drop out or flunk out quickly. Prevailing academic standards were too demanding for them. As more and more disengaged students enrolled, however,



and administrators decided that they wanted them to remain in school for the sake of the institution's bottom line, the inevitable result was downward pressure on academic standards. Where there used to be difficult mandatory courses—calculus and laboratory sciences, for instance—now students often have the option of taking simpler courses instead. At many institutions, the rigor of the curriculum has been eroding steadily in an effort to cater to students' desires for courses that are entertaining and easy. The curriculum has also been eroding due to the desire of professors to teach only very specialized courses that track their current research interests. Harvard professor Harvey Mansfield observes that among the reasons for the ouster of Harvard's former president Larry Summers was the fact that he "proposed a curriculum review that would result in solid courses aimed to answer students' needs, replacing stylish courses designed to appeal to their whims. Such courses would require professors to teach in their fields but out of their specialties; no longer would they assume that the specialized course they want to teach is just the course the students need." Owing to the degradation of the curriculum, there is reason to believe that the typical college graduate today is no better educated than was the typical high school graduate of 1955.

Attempting to teach a course where a large percentage of the students are "disengaged" leads to difficulties that often cause professors to compromise their standards and cater to student preferences. Consider this passage from Peter Sacks' book *Generation X Goes to College*: "Overwhelmingly, our colleagues told



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us they were watering down their standards in order to accommodate a generation of students who had become increasingly disengaged from anything resembling an intellectual life." Desiring to avoid bad student evaluations or simply to be popular, many professors have chosen to lower their expectations, remove challenging material, and give only high grades. Murray Sperber calls it "the faculty-student nonaggression pact"—the implicit understanding that students will be given high grades in

return for minimal work, while the professor puts little effort into teaching the course so he can concentrate on his research.

Whereas students' *minds* used to be the chief concern of colleges and universities, it is now more their *bank accounts* (more accurately, that of their parents and of the taxpayers). If students happen to learn anything useful while enrolled, that's good, but if not, as long as they've paid their bills, it's not the university's problem.

THE DAMAGE OF CREDENTIAL INFLATION

If college studies often do little to augment a person's human capital, then why is it that, on average, college degree holders earn so much more than do those who don't have them? That fact stands as an apparent refutation of the argument that college studies are of minimal benefit to many students.

There is a logical problem in moving from the observation that college degree holders *on average* earn more than do non-degree holders to the conclusion that *particular* non-degree holders would secure better, higher-



paying employment if only they could go to college and obtain a degree. After all, those who go to college and those who don't are people with very different characteristics. Instead of looking at *average* earnings for each group, it is more sensible to focus on the workers at the *margin*. The right question to ask is this: For high school graduates who might have gone to college but did not, is it the case that their earnings would be significantly higher if they had instead enrolled in college?

A decision to forgo college—especially in light of all the pressure on students to enroll—is usually deliberate and informed. If a young man or woman chooses to enter the labor force right after high school, that probably reflects an intelligent weighing of the relevant costs and anticipated benefits. For example, a young man may like the idea of working with his hands, perhaps as an auto mechanic, and dislike the work required in college—reading, studying, writing papers. If he concludes that college would be a poor use of his time and money because his interests and aptitudes do not lie in an academic direction, that decision is presumably a sensible one.

Also, there are quite a few job opportunities available to high school graduates that compare favorably in earnings with many of the jobs where a college degree is “required.” That young man who forgoes college to become an auto mechanic probably earns more than a classmate who spent four years in college and then took a low-skill job such as working as a theater usher, office clerk, or derrick operator—jobs that to a significant degree are now held by people who have earned col-



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lege degrees. Contrary to the conventional wisdom, having a college degree is neither a necessary nor a sufficient condition for finding employment that pays well enough to enjoy a comfortable life. People who don't have the interest or aptitude for serious college studies at age 18 may find that later in life they do, but those who enroll just because they think that the mere possession of a college degree is the passport to success will just dig themselves a financial hole.

It simply is not true that everyone would be better off with more years of formal education, as the average earning comparison implies. Most if not all low-income individuals who do not have college degrees would have no brighter job prospects even if they could manage to earn a college degree. Indeed, given the monetary and opportunity cost involved in getting a degree, many mediocre to weak students who now enroll in college would probably be better off if they instead partook of some vocational training and then entered the labor force. A college education is very beneficial for some students, but we can't raise national income by dipping further into the non-college population and enticing more of that group to spend time and money in pursuit of a degree.

Furthermore, it is questionable whether all the jobs that are now said to require a college degree in fact require any skills or knowledge that would presumably be possessed only by college graduates. Many employers today use the college degree as a means of screening out applicants who haven't continued their formal education past high school. They do so not

because the work necessarily demands a high degree of cognitive ability, but rather because there is such a large pool of applicants with college credentials that they see no need to consider people without them.

David Labaree explains why credential inflation is a problem:

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 over-credentialed, 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. Consumers have to spend increasing amounts of time and money to gain additional credentials because the swelling number of credential holders keeps lowering the value of credentials at any given level ... Employers keep raising the entry-level education requirements for particular jobs ... but they still find that they have to provide extensive training before employees can carry out their work productively. At all levels, this is an enormously wasteful system ...

Credential inflation also explains why the earnings premium for college graduates continues to rise: More and more of the job market is closed off to people who have not gone to college. It is not that college does so much to enhance human capital—we have already seen evidence that it often leaves students with weak basic skills—but rather that credentialism is compressing those who don't

go to college into a shrinking segment of the labor market.

HIGHER EDUCATION AND ECONOMIC GROWTH

Part of the conventional wisdom about higher education is that by investing in it, a state can improve its economic performance. Michigan's Governor Jennifer Granholm, for example, says that higher education is like "jet fuel" for the economy. Is it true, however, that increased government spending on higher education means increasing prosperity for a state or a nation?

Economist Richard Vedder analyzed state higher education spending and corresponding economic performance. He found that there is actually a *negative* relationship between the two. Vedder calculates that a 10 percent increase in state higher education spending will *reduce* economic growth in the state by 5.2 percent. He explains his unexpected result by noting that much of the money spent in public universities goes for noneducational purposes. Vedder writes: "[F]inancing of higher education means taking resources away from the private sector, with its relatively high and rising productivity subject to the discipline of market and profit imperatives, and giving them to the university sector, with its lower and falling productivity subject to little market discipline and no profit imperatives."

International comparisons also support the conclusion that there is no necessary relationship between the extent of higher education participation and economic prosperity. Alison Wolf, author of *Does Education Matter?*, points out that there are nations that have invested heavily in education, resulting in large increases in the percentage of the population with college educations, that nevertheless have languished economically. At the same time, there are nations that have very strong economies where there is little or no effort to



promote higher education access. She points to Egypt as an example of a nation in the first category and to Switzerland of the second.

WHAT TO DO

The best (and only appropriate) policy response to the informational aspect of our overselling problem is to rely upon the free flow of information. As people learn that more and more college graduates are winding up with unskilled employment, the blandishments of college recruiters will become less persuasive. Furthermore, competitive institutions offering job training that is more focused and beneficial than the traditional college degree have strong incentives to sell their programs to people who know what kind of career they want to pursue. A good example is Northface University in Utah. With backing from IBM, this for-profit school provides an intensive 28-month program for students who want to pursue careers in the burgeoning field of software development.

The federal government should also stop subsidizing students to attend colleges and universities. Economist Gary Wolfram has advocated that federal student aid programs be phased out over a period of years. Such a move would not leave students whose families cannot afford the expense without financing options, since there are many loan and scholarship programs available on the free market. Also, a new higher education financing mechanism appears to be developing—"human capital contracts" whereby a student obtains the money he needs for his education and in return agrees to repay the investors at a certain rate for some number of years after entering the labor market. The great advantage of philanthropic and market-based financial aid for education is that it can be targeted to bright students from poorer families rather than subsidizing the wealthy and the academically indifferent.

State governments should increase both their tuition charges and their entrance standards. Selective tuition reductions for good students from poor families is preferable to a policy that keeps tuition low for everyone.

All states subsidize their higher education systems to some degree, although the degree varies greatly. In some states, tuition covers less than 25 percent of the cost of the higher education system, while in some others it covers more than two-thirds. There is no reason why tuition should have to cover all of the cost of higher education—colleges and universities have substantial sources of revenue other than tuition and government appropriations—but by increasing tuition, the attractiveness of going to college will diminish, especially for the most marginal and disengaged students. Having to pay more for higher education where the benefit of that choice is questionable will cause some young people to pursue other training or job market options instead.

Equally if not more important, colleges and universities should increase student entrance requirements. Higher education is extremely valuable for some people, but not for everyone. By promoting it as heavily as we have in this country, we haven't raised either the level of education or skill in the population, but instead have brought on credential inflation and the erosion of academic standards. Our best course is to turn down the sales campaign that has drawn so many weak students into college.

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