**Economic Scene**

**Even for Cashiers, College Pays Off**

**By** [**DAVID LEONHARDT**](http://topics.nytimes.com/top/reference/timestopics/people/l/david_leonhardt/index.html?inline=nyt-per)

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ALMOST a century ago, the United States decided to make high school nearly universal. Around the same time, much of Europe decided that universal high school was a waste. Not everybody, European intellectuals argued, should go to high school.

It’s clear who made the right decision. The educated American masses helped create the American century, as the economists Claudia Goldin and Lawrence Katz have written. The new ranks of high school graduates made factories more efficient and new industries possible.

Today, we are having an updated version of the same debate. Television, newspapers and blogs are filled with the case against college for the masses: It saddles students with debt; it does not guarantee a good job; it isn’t necessary for many jobs. Not everybody, the skeptics say, should go to college.

The argument has the lure of counterintuition and does have grains of truth. Too many teenagers aren’t ready to do college-level work. Ultimately, though, the case against mass education is no better than it was a century ago.

The evidence is overwhelming that college is a better investment for most graduates than in the past. [A new study](http://cew.georgetown.edu/) even shows that a bachelor’s degree pays off for jobs that don’t require one: secretaries, plumbers and cashiers. And, beyond money, education seems to make people happier and healthier.

“Sending more young Americans to college is not a panacea,” says [David Autor](http://econ-www.mit.edu/faculty/dautor), an M.I.T. economist who studies the labor market. “Not sending them to college would be a disaster.”

The most unfortunate part of the case against college is that it encourages children, parents and schools to aim low. For those families on the fence — often deciding whether a student will be the first to attend — the skepticism becomes one more reason to stop at high school. Only about 33 percent of young adults get a four-year degree today, while another 10 percent receive a two-year degree.

So it’s important to dissect the anti-college argument, piece by piece. It obviously starts with money. Tuition numbers can be eye-popping, and student debt has increased significantly. But there are two main reasons college costs aren’t usually a problem for those who graduate.

First, many colleges are not very expensive, once financial aid is [taken into account](http://economix.blogs.nytimes.com/2009/11/19/q-a-the-real-cost-of-college/). Average net tuition and fees at public four-year colleges this past year were only about $2,000 (though Congress may soon cut federal financial aid).

Second, the returns from a degree have soared. Three decades ago, full-time workers with a bachelor’s degree made 40 percent more than those with only a high-school diploma. Last year, [the gap](http://www.bls.gov/cps/earnings.htm#education) reached 83 percent. College graduates, though hardly immune from the downturn, are also far less likely to be unemployed than non-graduates.

Skeptics like to point out that the income gap isn’t rising as fast as it once was, especially for college graduates who don’t get an advanced degree. But the gap remains enormous — and bigger than ever. Skipping college because the pace of gains has slowed is akin to skipping your heart medications because the pace of medical improvement isn’t what it used to be.

[The Hamilton Project](http://www.brookings.edu/projects/hamiltonproject.aspx), a research group in Washington, has just finished a comparison of college with other investments. It found that college tuition in recent decades has delivered an inflation-adjusted annual return of more than 15 percent. For stocks, the historical return is 7 percent. For real estate, it’s less than 1 percent.

Another study being released this weekend — by [Anthony Carnevale](http://cew.georgetown.edu/75006.html) and [Stephen J. Rose](http://cew.georgetown.edu/83987.html) of Georgetown — breaks down the college premium by occupations and shows that college has big benefits even in many fields where a degree is not crucial.

Construction workers, police officers, plumbers, retail salespeople and secretaries, among others, make significantly more with a degree than without one. Why? Education helps people do higher-skilled work, get jobs with better-paying companies or open their own businesses.

This follows the pattern of the early 20th century, when blue- and white-collar workers alike benefited from having a high-school diploma.

When confronted with such data, skeptics sometimes reply that colleges are mostly a way station for smart people. But that’s not right either. Various natural experiments — like teenagers’ proximity to a campus, which affects whether they enroll — have shown that people do acquire skills in college.

Even [a much-quoted recent study](http://www.ssrc.org/workspace/images/crm/new_publication_3/%7Bd06178be-3823-e011-adef-001cc477ec84%7D.pdf) casting doubt on college education, by an N.Y.U. sociologist and two other researchers, was not so simple. It found that only 55 percent of freshmen and sophomores made statistically significant progress on an academic test. But the margin of error was large enough that many more may [have made progress](http://chronicle.com/article/Academically-Adrift-a/126371/). Either way, the general skills that colleges teach, like discipline and persistence, may be more important than academics anyway.

None of this means colleges are perfect. Many have abysmal graduation rates. Yet the answer is to improve colleges, not abandon them. Given how much the economy changes, why would a high-school diploma forever satisfy most citizens’ educational needs?

Or think about it this way: People tend to be clear-eyed about this debate in their own lives. For instance, when [researchers asked low-income teenagers](http://www.hks.harvard.edu/fs/cavery/Student%20Perceptions%20of%20College%20Opportunities.pdf) how much more college graduates made than non-graduates, the [teenagers made excellent estimates](http://www.hks.harvard.edu/fs/cavery/Student%20Perceptions%20of%20College%20Opportunities.pdf). And in a [national survey](http://pewsocialtrends.org/2011/05/15/is-college-worth-it/), 94 percent of parents said they expected their child to go to college.

Then there are the skeptics themselves, the professors, journalists and others who say college is overrated. They, of course, have degrees and often spend tens of thousands of dollars sending their children to expensive colleges.

I don’t doubt that the skeptics are well meaning. But, in the end, their case against college is an elitist one — for me and not for thee. And that’s rarely good advice.

David Leonhardt is a columnist for the business section of The New York Times.

Comments: (highlights of 186 comments)

[136](http://community.nytimes.com/comments/www.nytimes.com/2011/06/26/sunday-review/26leonhardt.html?permid=136" \l "comment136).

jaime

United States

June 26th, 2011

1:26 pm

I agree. I didn't get a degree and now at 28 years I've returned to community college, I'm getting my associates in general studies and then I'm transferring to a state to get my accounting degree. I think a college education is worth it if you study something that the market values.  
  
I also think it's also elitist and hypocritical when people say that not everyone goes to college or even needs it. If you look at the upper middle class and the wealthy, they all send their kids to college.   
  
Maybe not everyone wants to go to college some people have skipped college but the majority of people need college or technical training at community college. I know that I don't want to work forever for minimum wage forever. I regret not getting a college degree immediately.  
  
I now wish I would have sucked it up when I was 18 and gotten it over with. An education and a degree will benefit you in the long run. Even if you change fields years later, you will still have your education.   
  
My mom was an English professor who changed paths and opened her own small business. Thankfully I can turn it all around, I'm single with no debt and no kids and I have a lot of time between work to go to college, but still I should have gotten my degree when I was younger.   
  
I wouldn't had to struggle so much like I'm right now. Go to college. Few people end up like Bill Gates, anyone who is 18 years old, please don't skip college. I wish everyone the best.

[74](http://community.nytimes.com/comments/www.nytimes.com/2011/06/26/sunday-review/26leonhardt.html?permid=74" \l "comment74).

Ron

New York, NY

June 26th, 2011

8:40 am

When we converted our heating system from oil to gas, a plumber came highly recommended to us. We did not ask, nor did we care, if he went to college.   
  
Installing a high-efficency gas heater, in my opinion, is very high-skilled job. But it takes an apprenticeship, not college, to learn how to do it.   
  
This article is ridiculous.

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New York, NY

June 26th, 2011

6:33 am

Full-time post-secondary education should be an automatic choice, not a gut-wrenching debate. When the choice is heavily weighted against, the reasons are most likely a combination unaffordability and the lure of early employment. A healthy dose of rationalization helps too. But the fact is that not pursuing post-secondary education is not a choice of one's free will, desire or even gut-instinct.  
  
In such a scenario both employers and government are beneficiaries and need to be held accountable. Employers who hire under-educated young people should be obliged to support part-time further education or provide the equivalent of it inhouse. Government benefits could work in tandem i.e tax benefits to employers who invest in the education of their young employees or independently with higher taxes for individuals who reject post-secondary education without pursuing all options.  
  
Let's face it: a large mass of under-educated individuals with only "works very hard" and "extremely dedicated" on their CVs is a problem to society. And going by episodes on Judge Judy, a massive burden on our small claims courts. Fix this Barack!

[53](http://community.nytimes.com/comments/www.nytimes.com/2011/06/26/sunday-review/26leonhardt.html?permid=53" \l "comment53).

HIGHLIGHT [(What's this?)](http://community.nytimes.com/comments/www.nytimes.com/2011/06/26/sunday-review/26leonhardt.html)

Scott

Seattle

June 26th, 2011

6:41 am

America's decision to provide a high school education to everyone was indeed a great investment in our future. It was also funded by tax dollars.   
  
As business has abandoned its obligation to provide training for those that it derives its profits from and expects that candidates will come to them fully prepared to start performing on a high level from their first day on the job they have come to value them less and less and view employees as merely a commodity that is easily replaced.   
  
A college education is a wonderful thing and more Americans earning degrees would vastly improve us as a society. The problem with the premise is that the well off, well prepared students will, more often than not, succeed in completing their studies while the poor kids will rack up loans while working at low wage jobsjust to pay for their room and board and are much less likely to complete their education.   
  
If the new expectaton is that all citizens have to have a college degree to compete for jobs in America, businesses had better start providing for free universal college educations to all through increased taxes.   
  
You simply can't have it both ways.