

## Mitchell’s Musings 8-3-15: Universal College to Achieve What?

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Let’s start by conceding the obvious (to anyone who knows even a little about labor market statistics). Educational attainment is positively correlated with good job outcomes. More educated workers are generally paid more and have lower unemployment rates, as the chart below from the U.S. Bureau of Labor Statistics (BLS) shows. Correlation isn’t causation, of course. Some observers would argue that much of what we see as correlation is due to what was once called “creeping credentialism.” In that view, more education is increasingly being required for jobs that don’t objectively need it. Various stories can be told that could, in theory at least, produce such a creep. But for purposes of this musing, and given the strength of the correlation and its persistence, let’s go further and concede some degree of causation between more education and good results in the labor market.

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### Earnings and unemployment rates by educational attainment

Education attained	Unemployment rate in 2014 (Percent)	Median weekly earnings in 2014
Doctoral degree	2.1	\$1,591
Professional degree	1.9	1,639
Master's degree	2.8	1,326
Bachelor's degree	3.5	1,101
Associate's degree	4.5	792
Some college, no degree	6.0	741
High school diploma	6.0	668
Less than a high school diploma	9.0	488
All workers	5.0	839

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.  
Source: Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics

Source: U.S. Bureau of Labor Statistics, [http://www.bls.gov/emp/ep\\_table\\_001.htm](http://www.bls.gov/emp/ep_table_001.htm) (as of 7-28-2015)

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The link between education and good labor market outcomes seems to have been driving federal policy of late, particularly when it comes to higher education. There has been a push for various goals linked to obtaining a four-year college degree. There was much talk of having “debt-free” college graduates, of free tuition at community colleges (which typically can take students half way to a four-year bachelor’s degree). There was also a push at the federal level to rate colleges with some kind of uniform scoring, an attempt that now seems to have been semi-abandoned in favor of more generalized “accountability.”<sup>1</sup> Such issues seem to be likely topics for the upcoming 2016 presidential race. But the emphasis on higher ed seems misplaced.

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<sup>1</sup>See <http://www.latimes.com/local/lanow/la-me-ln-college-duncan-20150727-story.html>; <https://www.insidehighered.com/news/2015/07/27/white-house-pivots-accountability-and-outcomes-and-away-debt-free-major-duncan>; <https://www.insidehighered.com/news/2015/07/28/renewed-obama-push-higher-ed-accountability-echoes-entrenched-politics>; <https://www.insidehighered.com/news/2015/06/25/education-department-says-rating-system-will-be-consumer-tool-rather-comparison>.

It's easy to move from the observation that *on average* (an important qualification that can hide much variance around the average) someone will benefit in future employment from completing college to an implicit policy that everyone *should* go to (and should complete) college. But viewed only from a labor market perspective, college completion is just an instrument for improved employment outcomes, not a goal in itself. (And many academics, particularly those in programs that don't lead to professional degrees, would object to viewing education as a purely job-related pursuit.)

BLS projections don't indicate that the occupations with the most employment expansion are those that require college degrees. Below is an excerpt from a BLS table showing employment projections through the year 2022. The occupations with the most *absolute* employment growth (a characteristics more relevant than *percentage* growth when it comes to job opportunities) clearly are not those which BLS rates as requiring a four-year bachelor's degree.

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Occupations with the most job growth, 2012 and projected 2022

(Employment in thousands)

2012 National Employment Matrix title	Employment		Change, 2012-22	Median annual	Typical education
	2012	2022	Number	wage, 2012(1)	needed for entry
Total, all occupations.....	145,355.8	160,983.7	15,628.0	\$34,750	N/A
Personal care aides.....	1,190.6	1,771.4	580.8	19,910	Less than high school
Registered nurses.....	2,711.5	3,238.4	526.8	65,470	Associate's degree
Retail salespersons.....	4,447.0	4,881.7	434.7	21,110	Less than high school
Home health aides.....	875.1	1,299.3	424.2	20,820	Less than high school
Combined food preparation and..... serving workers, including fast food	2,969.3	3,391.2	421.9	18,260	Less than high school
Nursing assistants.....	1,479.8	1,792.0	312.2	24,420	Postsecondary non-degree award
Secretaries and administrative..... assistants, except legal, medical, and executive	2,324.4	2,632.3	307.8	32,410	High school diploma or equivalent
Customer service representatives.....	2,362.8	2,661.4	298.7	30,580	High school diploma or equivalent
Janitors and cleaners, except maids... and housekeeping cleaners	2,324.0	2,604.0	280.0	22,320	Less than high school
Construction laborers.....	1,071.1	1,331.0	259.8	29,990	Less than high school
General and operations managers.....	1,972.7	2,216.8	244.1	95,440	Bachelor's degree
Laborers and freight, stock, and..... material movers, hand	2,197.3	2,439.2	241.9	23,890	Less than high school

Source: <http://www.bls.gov/news.release/ecopro.t05.htm>

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In short, having everyone go to college on the assumption that all would end up in better jobs – even if universal college completion were a realistic goal – would likely produce a labor force of overqualified – and possibly frustrated – workers. Someone would have to do the jobs listed on the table above. Note also that, by definition, there would be no college premium in terms of pay or any other measure if everyone completed college. Nor would the pay level currently seen as an average for college grads likely be what prevailed if everyone were a four-year graduate. Labor market policy would better be focused on improving standards for those folks in jobs which don't require a college degree and who don't have such degrees.