The Case Against College

Bryan Caplan writes in a new broadside against the U.S. system. “Education’s like John Gotti, guilty as sin, but everyone’s petrified to testify against it.”

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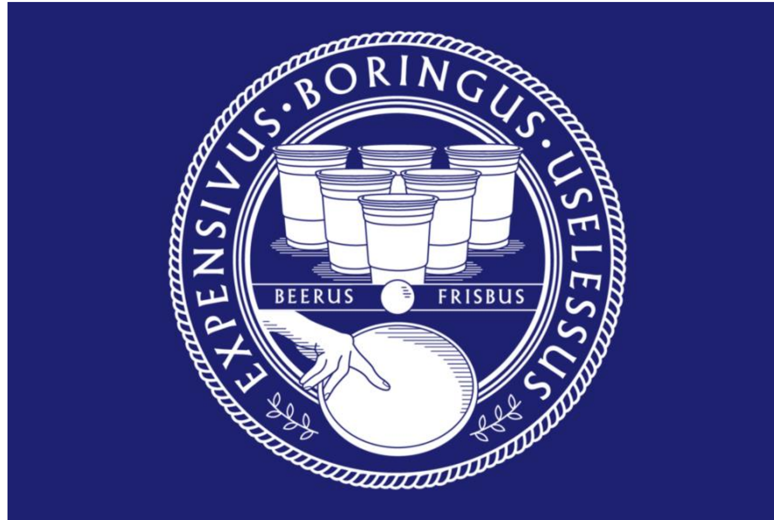

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Last April, Vermont independent Senator Bernie Sanders introduced the College for All Act, which would eliminate tuition and fees at public four-year colleges and universities for students from families that earn up to $125,000 per year. It would also make community college tuition-free for everyone. Good idea or bad?

Advocates of lowering the barriers to college say doing so helps both the students and the U.S. economy. Sanders, one of 21 co-sponsors of the bill in the Senate and House, noted that Germany, Finland, Denmark, Iceland, Norway, and Sweden already have tuition-free public colleges and universities. The U.S. must do the same, he said in a statement, “if we are to succeed in a highly competitive global economy and have the best-educated workforce in the world.”

The evidence of the benefits of a higher education seems indisputable: People with a bachelor’s degree earn 73 percent more than those with a high school diploma on average, up from a 50 percent advantage in the late 1970s. It stands to reason that, as computers and robots get more powerful, humans will have to be more educated to master them.

On the other hand, anyone who's been to college has to have some qualms about its value. Anatomy is essential if you're going to be a doctor, and history if you plan to teach Western civ. But most of us don't need to understand the Krebs cycle or the Peloponnesian War. Honestly, how much do you remember, let alone use, from Spanish or chem or calculus? For many students, college is mostly about jumping through hoops on command to show potential employers you're ready, willing, and able to jump through hoops on command. High school isn't much different. As somebody named @bdylan234 tweeted on Jan. 11, "I feel like my entire high school education but especially math was like 'ok, pretend that Google doesn't exist: how would you do x?'

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— Gabe (@bdylan234) January 11, 2018

A forthcoming book by economist Bryan Caplan takes whatever misgivings you had about education and cranks the amplifier up to 11. You probably won't agree with everything he says in The Case Against Education: Why the Education System Is a Waste of Time and Money, but his broadside is worth considering carefully given that the U.S. spends $1 trillion or so a year on education at all levels, more than the budget for defense.

Caplan is a big deal in libertarian circles. In 2007 he wrote a book called The Myth of the Rational Voter: Why Democracies Choose Bad Policies. The writer Michael Lind, in a 2014 piece for Salon, said, "Even though I disagree with him, Caplan may turn out to be one of the most significant thinkers of our time." Caplan's new book is tenaciously argued and thoroughly documented, with 42 pages of notes and 44 pages of references.

Kindergarten is when Caplan began to sense that something was wrong with education. By junior high, he writes, he learned to game the system, "working as little as possible to get A's in all the classes I deemed boring and useless." Whatever tricks he picked up seem to have worked. He earned a bachelor's degree from the University of California at Berkeley, a Ph.D. from Princeton, and a tenured job as a professor at George Mason University.

The standard economics case for education is that it builds “human capital”—skills, knowledge, and habits that are valuable in the workplace. More human capital benefits both the student and the economy. But Caplan argues that human capital isn’t the main story. He concedes that everybody needs to learn to read, write, and do basic math, but says most of what people learn in high school and college is unnecessary and quickly forgotten. On the international level, he cites studies finding no correlation between a country’s education level and its national income, holding other factors equal.

What, then, explains such a fat premium for people with college degrees? One possibility is that people who get degrees tend to be more capable and would earn more even without going to college. Another reason—the one Caplan focuses on—is that the diploma conveys useful information to employers who can’t afford to probe each job applicant in depth. It tells them that the prospect, in addition to being reasonably intelligent, is willing to slog through four years of arduous and often boring classes and knows how to fit in.

Notice that this signal has nothing to do with what he or she may have learned. The signal to employers—of diligence, persistence, and conformity—is just as strong whether the applicant studies Sanskrit or cement mixing. Notice, too, that signaling is a zero-sum game. Earning a college degree sends a message to employers only if other people don’t have college degrees. If everyone gets a bachelor’s, you need to earn a master’s or a doctorate to stand out, even if the job doesn’t require one. This rat race leads to over education and the devaluation of credentials. (High school really was considered high in the past.)

Lots of economists and even educators are willing to admit that signaling is part of why degree holders earn more. Caplan estimates it accounts for fully four-fifths of a degree’s value, leaving just one-fifth for human capital. He doesn’t stop there: Likening education to a useless toenail fungus cream, he favors cutting way back on public funding for it. In a December interview about the book with Tucker Carlson on Fox News, Caplan said that only about 5 percent of Americans should go to a four-year college. The rest would do better learning a useful trade in vocational education. “By temperament,” he writes in the book, “I am an extremist.”

Michael Spence, Kenneth Arrow, Joseph Stiglitz, Thomas Schelling, and Edmund Phelps, all Nobel laureates in economics, have contributed to the theory of signaling over the past half-

century. But most scholars haven't been willing to follow the theory to its logical conclusion, Caplan says. People who criticize today's system get stomped, he writes. "Education's like John Gotti, the legendary 'Teflon Don': guilty as sin, but everyone's petrified to testify against it."

Even strong believers in public education find some points of agreement with Caplan. Linda Galipeau, chief executive officer of staffing provider Randstad North America, says credentialism is a problem for lots of job prospects. "Their first interview today is with an algorithm. They're getting shut out by a robot." A study in October by Harvard Business School and others found that in 2015, 67 percent of production-supervisor job postings asked for a college degree, even though only 16 percent of employed production supervisors had one. "We've trundled into an over-academicized form of higher education," says economist Tharman Shanmugaratnam, the deputy prime minister of Singapore.

I talked to Andrew Cohn, director of a poignant 2016 documentary, Night School, about the struggles of low-income adults in Indianapolis to complete their high school degrees. Many stumbled on algebra, which they would never need in their career. "You're having large swaths of people dropping out because they're not able to get through these barriers," Cohn says. Some colleges of the City University of New York are experimenting with alternatives to conventional math because it's a "killing field" for many students, Chancellor James Milliken says.

Caplan's solution—slashing public support for public education—is what's problematic. He argues that if subsidies were taken away, poor youths who couldn't afford college would be unharmed, because employers would begin to view a diploma as a signal of family money, not brains. Maybe. But those strivers would also be deprived of the human capital that college builds—which even Caplan estimates at a fifth of the value of a degree and some other economists say is substantially higher. In a 2015 column for the Hechinger Report, an education website, Andre Perry, a fellow at the Brookings Institution, writes that the cliché "college isn't for everyone" is code for "those people aren't smart enough for college."

Caplan is right that higher education consumes too much time and money for too little benefit. But the system needs to change in a way that would narrow society's gaps, not widen them.