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Even for Cashiers, College Pays Off

By **DAVID LEONHARDT**

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](#) 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](#), 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](#). 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](#) 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](#), 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](#) and [Stephen J. Rose](#) 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](#) 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](#). 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](#) how much more college graduates made than non-graduates, the [teenagers made excellent estimates](#). And in a [national survey](#), 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.

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