The Overselling of Higher Education  
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Executive Summary

Higher education in the United States has been greatly oversold. Many students who are neither academically strong nor inclined toward serious intellectual work have been lured into colleges and universities. At considerable cost to their families and usually the taxpayer as well, those students sometimes obtain a degree, but often with little if any gain in human capital that will prove beneficial in the labor market or in dealing with the challenges of life.

Because governments pay a large portion of the cost of a college education, students and their families do not bear its true cost. For that reason, they tend to make poorer choices – both with their dollars and the amount of effort they put into college. Furthermore, students and their families often have an exaggerated or inaccurate view of the benefits that can be expected from a college education. The belief that obtaining a college degree is the only way for young people to find good employment and enjoy a prosperous life is widespread, but mistaken. Having a college degree is neither necessary nor sufficient for success.

Although it is often said that getting a college degree is becoming increasingly important because good jobs for people with only a high school education are supposedly vanishing, that appearance is mainly due to the phenomenon of credential inflation. As the possession of a college degree has become increasingly common among people in the labor market, employers have responded by using the possession of a college degree as a screening device. Few jobs demand such a high level of knowledge and skill that they cannot be performed by individuals with a sound basic education, but many employers now decline to consider high school graduates since there is such a large pool of college graduates available.

The great expansion of higher education has led to an infusion of large numbers of "disengaged students," which has had a deleterious effect on academic standards. In order to keep such students enrolled, schools have lowered academic standards, inflated grades, and degraded the curriculum. Many of the students who now obtain college degrees graduate with weak skills and can do no better in the labor market than taking "high school jobs." Keeping large numbers of academically indifferent students in college is costly not only in financial terms, but also in its tendency to lower academic standards and thereby waste the time of better students.

To combat the overselling of higher education, academic standards need to be raised and governmental subsidies for college studies should be lowered.