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The narrative

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The Narrative

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The Narrative



Many of us on campus follow the press about higher education, with both personal and professional interest, and share articles and essays with each other. Jon McGee, our VP for Planning and Public Affairs, noted a recent article in *Forbes* entitled, “Higher Education ‘Is Failing Students And Employers’ ” that seems, depressingly, to capture the current narrative: higher education is fundamentally broken but there are some simple things that will fix it.

As Jon writes, pulling no punches:

This story appeared this week in Forbes on-line. It’s so thoroughly misleading that it’s worth the read. The story hews to the headline: new studies suggest that higher education in the U.S. fails students and employers because it fails to provide students the skills required to join the workforce. The writer describes American higher education as in desperate need of repair. He suggests three easy solutions: provide more “practical and applied education experiences” (which is code for many different things, but essentially reduces college to an apprenticeship experience), “use technology to improve access, experience, variety, and outcomes” (a popular screed that lacks any kind of real meaning or content), and “strengthening relationships with strategic partners” (a statement worthy of a Dilbert comic strip in its jargon-laden vapidness). The problem with the story, and others like it, is that people are inclined to believe it even though there is no evidence to support the claim. The two easiest ways to evaluate the economic value of education are wages and employment. Here’s the real picture:

- *Among full-time employed workers age 25 and older, median weekly earnings in 2014 (annualized data) for those with a bachelor’s degree or higher were \$1,193 – 57% higher than median weekly wages for those with only some college or an associate degree and a whopping 79% higher than wages for high school graduates who have no college experience. Higher wages reflect the value of the skills people provide. Higher skills command higher wages. Really simple, and empirical, market economics. Presumably, if the claim were correct that higher education fails to provide the skills required to join (and succeed in) the workforce, then we would see either depressed wages or a lower wage premium. Neither is true.*
- *The employment data is even more stark. In the 246 months since January 1, 1995 (meaning the last 20 years), the national unemployment rate for people aged 25 and older with a bachelor’s degree or higher has surpassed 5% only 7 times (each of those months during the darkest days of*

the Great Recession). The unemployment rate for college graduates has been under 3% in 156 of those months. Put another way, the unemployment rate for college graduates has been under 3% in 13 of the last 20 years. By comparison, the unemployment rate for high school graduates/no college has NEVER been below 3% in the last 20 years and has been above 5% EVERY month since March 2008. For those with some college or an associate degree, the unemployment rate has been above 3% every month since July 2001 and over 5% nearly one-third of the time. Again, if college graduates truly were not prepared for workforce entry or workforce success, we would expect to see higher rates of unemployment. But we don't.

Clearly there is plenty of room for improvement in higher education. And the data I cited do not indicate that college-educated workers maximize their productivity (though I couldn't find any data indicating they were not productive or were less productive). But, the claim of failure is pure hyperbole – interjected in a cultural milieu that already overvalues hyperbole. And for that reason, it's dangerous. But, where's the beef? In a market economy, wage and employment rates provide powerful signals about economic value. And real economic data suggests a different story.

Amen.

I would also note three additional things:

1. **British system.** The author, Nick Morrison, is a Brit who writes often for the *Daily Telegraph* and *Guardian* and was educated at Oxford. I suspect that his strong ties to Britain and experience with the British educational system color his views of education and the American system. The British system, ironically with the primary exceptions of Oxford, Cambridge and Durham, is much more focused on career or vocational training. The liberal arts curriculum, which emphasizes breadth as well as depth, is "America's gift to higher education," as I once heard it described. The British model tracks students early and the fork in the road between vocational training and the university track comes in the early teens, if not sooner. If we care about the economic futures of young people, especially first generation students and students of color, I'd place my trust in an educational system, with all its warts and challenges, that since the Second World War has produced the best educated and richest population the world has ever seen.
2. **Heterogeneity.** The narrative about higher education assumes a homogeneity about higher education that is fundamentally wrong. With 4000+ institutions of higher education in the United States and 2000+ four year institutions, the variety is incredible. Across this diverse universe, there are places performing badly and many doing exceptionally well. To echo a point Jon made, in a market economy, consumer choice is a pretty good judge of how a sector is performing, and I see no evidence that students are fleeing this market, Peter Theil notwithstanding.
3. **Job versus career.** Much of the press on higher education tends to focus on first jobs and first employers, but the real value of an investment in human capital is over a lifetime. The evidence of that lifetime value is strong and the benefits appear to be growing.

As frustrating as the simplistic narrative can be, our primary job is to continue to do good things for our students, whose **success** is indisputable, but we can also be more intentional in sharing our educational story with prospective students and parents. It is here that our alumni and friends can help too. Feel free to share your Saint John's or Saint Ben's story with high school students and their parents to assure them that an investment in higher education continues to be the best investment they will ever make.



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