Overeducation

Persons with more education have higher average incomes than do persons with less. It is also true that a considerable number of college graduates work at jobs that in earlier years were almost always filled by nongraduates, and that to a large extent still are. The usual conclusion has been that vocational competence is significantly increased by additional education.

Ivar Berg* has reported a number of studies of the relations between a worker's years of schooling and several aspects of his job performance. He concludes that an increasing percentage of workers are employed in jobs that utilize less education than they possess; that in many jobs experience is a better indicator of earnings than is education; that workers with more education show higher turnover rates and more dissatisfaction than do those with less; and that measures of aptitude are better than amount of education in predicting performance and earnings.

Paul Taubman and Terence J. Wales† have compared the earnings of college graduates with the earnings of equally bright high school graduates. Their results confirmed the usual finding that college graduates earn more money, but they also found that earnings differentials almost disappear within occupational categories. Bright salesmen earn more than dull ones, but college graduate salesmen earn no more than high school graduate salesmen of the same intelligence level.

In medicine, college teaching, and some other fields, the essentiality of higher education would meet with little challenge. In a number of other fields, higher education does not so directly contribute to occupational competence, and within these occupations the amount of education is poorly correlated with income. Nevertheless, it remains true that college graduates as a group have higher incomes than nongraduates, partly because they tend to be brighter, partly because some of them enter professions that reward them for the necessary higher education, and partly because some employers overvalue formal credentials and employ college graduates at entry levels higher than those open to otherwise comparable nongraduates.

When a diploma is used as an employment screening device rather than as evidence of academic qualifications, recruitment costs may be lowered, but what the employer saves must be paid for by someone else. Overemphasis on academic degrees discriminates against potential workers who have the necessary abilities but lack the required credentials, and it transfers part of the cost of employee selection to educational budgets and to the substantial number of young people who remain in college to secure employment credentials rather than to acquire greater competence or further education.

In the future, the relation between years of schooling and occupational performance may become even less close, for the disruptions that now afflict schools and colleges and the growing demand for ungraded courses and completely free elective programs are likely to make the time a student is enrolled in school and college an even poorer predictor of his adult competence.

To emphasize "credentialism" will require that employers make greater efforts to evaluate applicants as individuals instead of treating them as members of educational classes. This change would be helped by better means of assessing aptitudes and by better records and measures of proficiency. It may be disquieting to some people to learn that the military services have progressed farther in these directions than have most civilian employers.—DAEL WOLFE

† P. Taubman and T. J. Wales, Wharton School of Finance and Commerce, University of Pennsylvania, personal communication concerning an investigation of the benefits of higher education being conducted for the National Bureau of Economic Research.