

False Promises of Higher Education: More Graduates, Fewer Jobs

– Harry Brill

THROUGH A CONTINUAL dose of propaganda from the establishment and its allies, the American people have been persuaded that obtaining at least a college education is not only necessary, but also provides working people with excellent opportunities to avoid low-wage work and chronic unemployment.

The familiar explanation is that we live in a high-technology, knowledge-based society that increasingly demands a high degree of literacy and sophisticated academic skills. To settle for no more than a high school diploma, then, risks becoming economically obsolescent.

On the average, we are continually reminded, the earnings of college graduates are substantially higher than those who have obtained no more than a high school diploma. Almost everyone nowadays is feeling the pressure of keeping up. An unprecedented percentage of high school students (67.5%) are attending college at a great financial sacrifice to themselves and their families.

Yet in truth, a higher educational credential today— unlike in previous decades—no longer offers a probability of attaining a career. Keep in mind that the much higher average salary reported for those who have attained at least a college credential include those in occupations undergoing major transformations.

A growing number of recent law graduates, for example, are compelled to find work through legal temp agencies, where they receive lower earnings and no job security. Many Ph.D.s have to settle for adjunct faculty positions, which are also insecure and low paying. Many other so-called higher-level occupations are providing diminishing returns for new entrants.

As good paying, secure, full time jobs that require advanced training are in short supply, notwithstanding the hype about these jobs going begging, a substantial and growing number of college graduates are winding up in high school level jobs. Many who do obtain positions in higher-level occupations occupy contingent occupational roles. In my view, among the functions (not necessarily intentional) of higher education is to generate a surplus of educated workers.

Moreover, some of the earning gap between college and high school graduates is unrelated to educational disparities. Regardless of the level of educational attainment, race is a factor in how jobs are distributed.

College graduates are disproportionately white, while those who have only completed high school are disproportionately members of minority groups. True, for some members of the working class, both Blacks and whites, higher education offers opportunities. Yet undoubtedly for race-related reasons, the racial earning ratio is no better for Black male college graduates than for their counterparts who only graduated high school.

Certainly among the manifestations of racism in this society is the lower formal educational achievement of African Americans, which in turn limits their opportunity for obtaining good jobs. Their greater access to higher education would certainly open up more occupational doorways. But though differences in educational achievement account for some of the racial income disparity, its significance should not be overestimated.

The gap in high school completion rates among Black and white young adults (aged 25-29) has virtually disappeared. Moreover, while the proportion of young whites with four-year college degrees or higher has almost doubled in the last thirty years, it has almost tripled for their Black counterparts.

Nevertheless, Black joblessness remains officially around twice the rate of whites, and the gap in earnings between full-time Black and white workers, which was narrowing right after the victories of the civil rights movement, has widened for Black women and was

unchanged for Black men in the last twenty years. The overall racial earning gap in the last two decades has grown. Since 1988, the earning ratio for Black men has slightly declined.

Regardless of race, being a college graduate nowadays no longer offers the probability of a career. College graduates are no longer members of an exclusive club. There are over 34 million college graduates in the labor force, and over a million additional students complete college every year. These educated workers make up 25% of the work force, which is a substantial increase from 15% in 1980.

According to the Department of Labor, about 21% of all workers are employed in occupations that require at least a bachelors degree. This estimate, however, is inflated. For jobs in which a college credential is the most common path, the Department of Labor for statistical purposes does not exclude those workers who lack college degrees.

For example, DoL counts all computer programmers as college graduates, even though according to its own estimate, forty percent had not completed a four-year college education. The overcount of college graduates in these occupations exaggerates the percentage of workers holding jobs that require at least a college degree.

The error-ridden 1990 census also contributes to inflating the percentage of workers holding college level jobs. It is not widely known that current surveys of the labor force are based on adjustments made from the last census to determine the size and distribution of the population according to race, education and other demographic categories. So miscounts in the decennial census produce inaccuracies in subsequent population and labor force surveys.

It has been well documented and even officially acknowledged by the U.S. Census Bureau that millions of members of minority groups and the poor were undercounted while higher income groups were over counted. As a result, the proportion of workers employed in occupations that require an advanced educational credential is exaggerated. Some adjustments have been made since to compensate for the census errors, but hardly enough.

Because the working poor and members of minority groups congregate in lower level jobs and the upper middle class in professional, managerial, and other higher status occupations, these inaccuracies result in overestimating the proportion of workers employed in occupations that require an advanced educational credential.

About 18% of the 128,125,000 jobs, which is about 23 million, require at least a bachelors degree. About 25.3% of the workforce of 135.2 million, or 34 million are at least college graduates. These figures show *an excess of 11 million educated workers*. If highly educated workers, then, restricted themselves to competing only for jobs that require an advanced degree, their unemployment rate would reach a deep depression level of almost one-third (11 out of 34 million educated workers).

Yet the mass media continually reports serious labor shortages of educated workers. Lack of evidence has not been a deterrent. Take, for example, the caption of an article in the *Boston Globe*, "Survey finds shortage of hospital workers," based on the most recent annual Massachusetts Hospital Association (M.A.) survey of job vacancies in acute care hospitals in the state.

Although the survey identified occupations where there were job openings, nowhere in the report or the press release sent to the media is it indicated that these jobs are hard to fill. As an M.A. spokesperson explained, the survey is only a snapshot that makes no attempt to determine how long these vacancies have been open. The penchant for assuming that job vacancies mean job shortages is a chronic hangup of the mass media.

An article in the Department of Labor's journal *Monthly Labor Review* concludes that increasingly, university-educated workers are taking jobs in which the average educational level is much lower. As an indication of the severe competition for college-level positions, a labor economist with the DoL notes that more and more college graduates work as street vendors, door-to-door sales worker, janitors, cleaners, and bus and truck drivers.

Department of Labor projections show that the vast majority of new

jobs that will be created in the next ten years will not require a bachelors degree. Even in occupations that require advanced credentials, a growing share of jobs are marginal, that is, part-time and temporary positions.

Relatively speaking, many recent college graduates are faring better at obtaining college level jobs than their older counterparts. In fact, their opportunities in the labor market are somewhat better because older graduates are doing more poorly. It has been documented that workers in their middle years (aged 45-54) who had graduated college are more likely than younger graduates to occupy high school jobs.

Rather than valuing experience, many employers are not hiring middle-age and older workers because labor costs would be more expensive. The business community whines about a labor shortage of educated workers, but what it really means is a shortfall of workers willing to work at lower wages than they currently have to pay. That is why business prefers younger to older workers, foreign to American, and illegal to legal residents.

High Tech: Surplus Jobs or Surplus Workers?

The public has been hearing a great deal about a severe labor shortage in the information technology industry and an impending K-12 teacher shortage. It should be instructive to examine these claims, not only to raise questions about their accuracy, but also to understand why they persist, evidence notwithstanding.

Hysterical cries of a labor shortage by the information technology industry is echoed by various government agencies, mass media, and other presumably neutral and objective sources. The industry has been conducting a vigorous campaign to persuade the public and Congress that a desperate situation exists and that drastic steps must be taken for the sake of the economy as well as for the business community.

The high tech industry has recently persuaded Congress to raise the quota for admitting trained foreign workers on temporary visas. A highly publicized report by the Department of Commerce supported the high tech industry's assessment of a labor shortage, mainly by

citing the inadequate number of college students majoring in computer science.

The General Accounting Office, which is the research arm of Congress, found the argument flawed. In its own report, it noted that only about 25% of these high tech employees had degrees in computer and information science. In fact, the industry has been even training and recruiting high school students and graduates. As already mentioned, Department of Labor statistics show that about 40% of computer programmers have not even earned a bachelors degree. Moreover, enrollment in computer science curricula increased in 1996-7 by 40% and in the following academic year by 39%.

The Department of Commerce also cites rising salaries in the industry as evidence of a labor shortage. But the General Accounting Office, citing Bureau of Labor Statistics data from 1983 to 1997, found that the salary changes were comparable to or even, in the case of computer system analysts and scientists, slightly lower than the percentage changes for all professional specialty occupations.

In a study on the supply and demand of computer software workers, seven software companies acknowledged that they hire no more than 5% of their job applicants. For software positions, Microsoft hires only 2% of its applicants, and makes offers to only one out of four who obtain an interview.

The information technology industry has been enormously successful in keeping unions out. Building up a large reserve army of workers to weed out possible troublemakers is an important reason why unions can get barely get off the ground.

To save money in fringe benefits, Microsoft, AT&T, Intel, and Hewlett-Packard hire large numbers of temporary workers, many of whom work at these companies on a long-term basis. Over 20% of Microsoft's domestic workforce are temporary workers, who enjoy few benefits and lack even a modicum of job security. If trained high technology workers were in short supply, the industry would be unable to establish and maintain its two-tier employment system. The high technology industry has persuaded Congress to increase temporary visas for educated foreign labor, which is cheaper. High tech companies pay immigrants 15-20% less than comparable American workers.

Yet according to the Immigration and Naturalization Service (INS), the ten companies that used the most visas last year filled them with jobs that did not really require college level math and science. The Pittsburgh- based Mastic Systems Corporation, where immigrants make up 80% of the workforce, placed their foreign employees on jobs that U.S. workers can handle or could be readily trained to perform.

Meanwhile, middle-age and older trained workers are being shunned. According to the Census Bureau, the unemployment rate for programmers over age fifty is about 17%. The actual rate is higher because the statistic does not include unemployed programmers who were forced to leave the field altogether. Mainly as a result of age discrimination, over 80% of computer science graduates are no longer working as programmers twenty years after they graduated, when most are in their early forties.

The companies like hiring foreign workers and recent college graduates because they can be paid considerably lower wages. Intel's policy, for example, has been to hire new college graduates to fill 70% of its engineering positions. Foreign workers, a major source of cheap labor, make up around 35% of Silicon Valley programmers and engineers. The practice of middle ageism is the unofficial policy of the high tech industry.

The Education Industry: Truth Is Not Its Only Client

To justify questionable and unpopular recruitment strategies, public schools also complain about the great difficulty of finding qualified teachers. Like the high tech industry, public schools also search for low-cost labor.

Schools generally have to link salaries to years of service. So when vacancies develop, they favor candidates who are first-time teachers, particularly recent college graduates and those who have little experience. As school budgets have become tighter, the penchant of school systems to relegate experience to cost considerations has generally prevailed.

Among older, experienced teachers who are looking for jobs are those who had left the profession temporarily. They might have left teaching for such reasons as to assume child rearing responsibilities, try other kinds of work, return to school, relocate elsewhere, or

they may have lost their jobs because of retrenchment and school closings.

In a recent six-year period, the percentage of newly hired teachers who were re-entrants declined by 30%, and the percentage of teachers who transferred from other districts or states, who tend to be older as well, also dipped. Only the recruitment of first-time teachers has increased, by 50%.

Like their high tech counterparts, more and more of these older, experienced educators are being abandoned. Take for example the efforts of the New York City Board of Education, which recruited twenty-three math and science teachers from Austria. They were offered one- year contracts for around \$30,000 a year, which is at the low end of the pay scale. The story about the recruitment efforts made the front page of the *New York Times*.

The dearth of science and math majors and the attraction of college graduates to the computer industry is blamed for the shortfall of teachers. But the school system has been providing teachers with generous early retirement programs that have enticed thousands of highly experienced educators to leave their jobs.

To restrain the hemorrhaging, education advocates pleaded with the New York governor to veto a recent early retirement bill.

Despite complaints about risking a shortfall of teachers in certain disciplines, the governor signed the early retirement bill! There is nothing wrong with providing retirement opportunities for teachers provided that the interests of students are protected. But apparently this was not the priority of the policy makers.

According to a spokesman for the union, the motive for engaging in an international search by the Board of Education was to get publicity. The problem is the kind of publicity it got.

Hiring twenty-three foreign teachers in Austria to work temporarily is a drop in the bucket in a system that employs 65,000 educators.

Yet the *Times* reports how New York City has struggled in recent years to find thousands of qualified candidates to teach math and science. Not a word, though, about the school systems vigorous efforts to retire thousands of its experienced educators, nor its failure to reach out to potential teachers in Brooklyn, the Bronx and other boroughs.

Nor does the article discuss the abysmal working conditions that discourage many qualified applicants from applying and remaining

in the system. As in many other urban school systems, teacher turnover in New York City is high, twice the state rate. No wonder, as huge budget cuts have led to poor morale, deteriorated teaching conditions, and larger classes. Like the fast food industry, the school system treats the high quit rate as inevitable.

The mass media in general, as well as schools of education, have been warning of an impending teacher shortage in the next decade. Reflecting the outlook of the establishment, the media revel in celebrating the economy by reporting how it works well for working people, particularly for those who are better educated.

Not surprisingly, so do the schools of education, who have an obvious self-interest in attracting students. It is their bread, butter and even dessert. Take for example, an article in the Harvard Graduate School of Education's newsletter, "Teachers Wanted: Schools Look for Creative Solutions to Upcoming Teacher Shortage." As evidence of early signs of a shortage, the article mentions the large number of educators who teach out of their fields. But out-of-field teaching is even common in communities where there are huge surpluses of teachers. As the Department of Education recognizes, public schools often move teachers across disciplines to accommodate scheduling needs.

The article also warned that two million new teachers will be needed for the coming decade. This estimate was obtained from the Secretary of Education, Richard Riley, who in his 1997 State of Education address said, "In the next 10 years, we need to hire two million teachers to replace a generation of teachers who are about to retire, and to keep up with rising enrollments."

Although he did not predict a shortfall of teachers, the secretary's comments have been widely cited in the mass media and professional publications as evidence of a looming teacher shortage. Since the sources of his projection are publicly available, it is extraordinary that nobody has questioned the two million figure. It is also mind-boggling that those who should know better so eagerly assume that job vacancies always represent job shortages.

According to the Department of Education's middle of three alternative projections, about 236,000 additional public school teachers will be hired by the year 2007 to accommodate increased student enrollment. And if all teachers fifty and over retired within the next ten years, slightly under 640,000 teachers would have to

be replaced. These total under one million teachers, which average less than 100,000 replacements per year due to retirement and growing enrollment. Secretary Riley's projection of teacher vacancies is not even half-right!

The secretary probably neglected to include those who left for reasons other than retirement. But even by taking into account all those who leave does not justify claims of a teaching shortage. In fact, two-thirds who left their teaching job (or the job left them) intend to return to teaching, and over 25% plan to return the following year. Considerably less than 2 million teachers will have to be replaced.

Recent college graduates are only one source of teacher supply. As already mentioned, large numbers of reentrants are being bypassed, particularly those with many years of experience.

There are around 100,000 substitute teachers and over 200,000 part-time K-12 educators, many of whom would undoubtedly like a regular, full-time teaching job. And as a Department of Labor economist noted, among the millions of college graduates who hold blue-collar and low-level clerical jobs, many would be happy to enter the teaching profession.

In addition, due to the growing competition for university jobs, over 10% of doctoral recipients have taken jobs in elementary or secondary schools. As job opportunities are drying up for those with doctorates, undoubtedly more of these highly educated workers could be enticed to teach at the K-12 level.

According to the U.S. Department of Education, the evidence does "not indicate national shortages of teachers in general or within specific teaching fields."

Beyond A College Degree

Nor is post-graduate work the route to Mecca. A labor surplus prevails in many occupations that require formal training beyond a four-year college education. As a result, a growing number of the most educated members of the workforce has been unable to escape part-time and temporary work, unemployment, and underemployment.

Higher education has directly benefitted from a surplus of Ph.Ds by being able to fill vacancies with low- cost part-time faculty. The

growing economic problems of academics serves to illustrate why data on average salaries can be misleading.

Average salaries for full-time faculty in higher education, including two-year colleges, is almost \$50,000 a year, and around \$53,000 for males. But part-timers now make up over 40% of the faculty in institutions of higher education, and about two-thirds at two-year colleges. And their share of teaching jobs continues to grow, almost doubling since 1970. Their pay and status extremely low, they receive few or no benefits, and their jobs are almost always insecure.

In fact, the availability of a huge oversupply of Ph.Ds ready to teach part-time on almost any terms is threatening the job security of full-time faculty. The tenure system is under attack, which will particularly jeopardize the jobs of teachers with unpopular views. Also, more and more full-timers are being hired on short-term contracts. A recent survey by the Modern Language Association found that two-thirds of doctoral graduates in English and Foreign Languages could not land a tenure-track appointment within a year of getting their Ph.Ds. Opportunities for secure academic jobs is declining rapidly in virtually every discipline.

A study by the Rand Corporation found that the supply of science doctorates produced by the universities exceed the demand from all sources by about 22%. Mathematicians, physicists, and chemists are having great difficulty finding work in their fields. A growing number of Ph.Ds are staying on as post-docs because they are unable to find jobs. They have become another source of cheap labor for academic institutions.

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