

[Transcript] The Daily / Is College Worth It?

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From New York Times, I'm Michael Bilbaro. This is A Daily.

New research and polling show that more and more Americans now doubt a once unquestioned fact of American life that going to college is worth it.

Today, Times Magazine contributor Paul Tuff

on why so many high school students and their parents

are souring on higher education and what that will mean for the country's future.

It's Wednesday, September 20th.

Paul, we have spent a lot of time over the past year talking about higher education on the daily first because the Supreme Court ended affirmative action in college admissions and second because of new data showing just how much college perpetuates basically financial privilege by very much favoring the rich in the admissions process. But you come at the subject with reporting on something that feels in a way bigger and even more foundational to the question of higher education, you're finding that fewer and fewer Americans even believe in the idea of college. So just walk us through those findings.

Yeah. So about a decade ago, I think Americans were feeling pretty positively about higher education and you could see that in all kinds of public opinion polls. No matter how you asked the question, people would say college was worth it. Parents would say I want my kids to go to college. Graduates would say this was worth it, this experience. And then at some point in the last 10 years, that really started to shift. And now when you look at public opinion polls, the answers are all going in the opposite direction. People are much more skeptical of college as an institution. They don't trust it. Parents aren't sure they want to send their kids. Young people aren't convinced that they need a degree to do well. And all of that shift has happened just in the last decade. Just how much more skeptical? I wonder if you can give us some of the data points. The number that really stuck out to me in the public opinion polls is that about a decade ago, like 98% of parents said that they expected their kids to attend college. I think at the time it was just this accepted truth. Right. That's basically universal.

Exactly. That everyone was going to go to college. And now when you look at public opinion polls, it's about half of American parents say they don't want their kids to go to a four-year college. So that's the shift in public opinion that's not just on the margins. It's a shift in how we think about this institution. And that shift in public opinion was mirrored by a shift in who was actually showing up on college campuses. So in the fall of 2010, there were more than 18 million undergraduates

on American college campuses. In 2021, that figure dipped to 15.5 million. So that's 2.5 million young people who disappeared from American college campuses.

Wow. So Americans aren't just losing faith in the idea of college. They're losing enthusiasm to attend college. Exactly. And what you're laying out is a really significant change kind of in any time frame, but it's especially big within the period of just a decade. And it's especially big given that college has for so long felt like a pillar of American society.

[Transcript] The Daily / Is College Worth It?

Right. I think of it alongside home ownership. It has been held up as a central component of the American dream with proven longstanding financial upsides. And even as colleges become extremely expensive, that image of financial upside has endured that ultimately it's just worth it. So help us understand what exactly has changed here.

Probably what's interesting is what hasn't changed. So there is this number that economists call the college wage premium, which is how much more a typical college graduate is going to earn than a typical high school graduate. That hit a boost of about 60, 65 percent way back in 2000.

And it's stayed at the same level ever since. College graduates are still on average making a whole lot more than high school graduates. Which is why so many people have believed you're supposed to go to college. Right. On that level, the financial benefit is real. And so the idea that I think people always had that college was the way to achieve a comfortable, affluent life is quite valid. The problem that I think families and economists are now coming to understand inherent in the college wage premium is that it measures your income, but it doesn't measure how much you paid for college and it doesn't measure how much debt you have. And so that shortcoming is what has pushed a variety of economists to come up with new ways of capturing what I think a lot of American families are feeling, how worth it is a college degree over the long term when you factor in how much you're spending and how much you owe.

And this one set of economists in St. Louis came up with this calculation they call the college wealth premium. So unlike the college wage premium, which just measures how much a college grad earns compared to a high school grad, this measures how much wealth you accumulate your assets minus your debts over the course of your lifetime. And the picture they found of how well college grads are doing was much different than when you just look at the college income premium on its own.

Well, just explain that. What does the college wealth premium find that better reflects reality than the college wage premium that we have relied on so long and that has put college at the center of so many people's aspirations? What finds that it has really shifted over time when you were born, what generation you're a part of makes a huge difference. So for people born in the 40s and 50s and 60s, the college wealth premium is functioning exactly the way it's supposed to. So the college grads are amassing two or three times as much wealth over their lifetime than high school grads. But when they looked at young people who were born after 1980 in the 1980s and 1990s, their wealth benefit was much smaller. And for certain cohorts for black and Latino headed families, that college wealth premium had disappeared altogether. So a college grad wasn't amassing any more wealth over their lifetime than a high school grad.

So walk us through that. I mean, clearly the financial math of attending college isn't working any longer. I think we can guess why, but just explain the mechanics of that math and why a college degree isn't creating the kind of wealth that it used to even if it still guarantees higher wages.

Well, I think it has a lot to do with debt and what people are paying for college.

If you've got lots of debt, your household wealth is going to go down.

There's lots of these college graduates who are on paper earning quite a bit of money, but their debt has become so high that they can't really accumulate the kind of wealth that earlier generations were able to do. But even for those people who aren't going into a lot of debt, the amount of money that they're spending on college is still subtracted from their assets.

So one of the things that these economists found is that even if you leave college without any debt,

[Transcript] The Daily / Is College Worth It?

if your family has had to plow a big percentage of their assets into your college education, that makes a big difference. That is money that can't go towards a down payment on a first home or a nest egg to start a family or a way to start a small business. And especially in young adulthood, those are the sorts of things that really start to accumulate wealth. So that's a huge part of it. But the costs of college hurt wealth accumulation for almost everybody. And thus the incentive to attend college becomes, for some, virtually non-existent.

Yeah. I mean, if you're looking at that number, if you're looking at how much wealth am I going to have over my lifetime, it is harder to make the case, especially for younger people, that a college degree is going to really pay off.

I'm curious, Paul, whether the existence or the absence of the wealth premium for those who attend college versus those who don't is dependent on some of the decisions people make about colleges, attending a public college, for example, versus a potentially much more expensive private college, or what you major in and therefore how lucrative your career is as a result.

Yes. This is another big finding that economists have made over the last few years that helps explain, I think, this shift in public opinion, which is that there's much more risk, there's much more uncertainty in going to college. It really does depend on who you are, on what you major in, on where you go. So some of the numbers that really stand out to me is that if you can guarantee that you are going to graduate from college in four years, and if college is absolutely free, then in this amazingly hypothetical world, you have a 96% chance of having college pay off over your lifetime. But once those sort of imaginary ideas start to fade, your chance of coming out ahead is much less. So if you have a normal risk of dropping out about 40% of people who start college drop out before they finish, suddenly you only have a three and four chance of earning more than a high school graduate. Once you start increasing the amount that you spend, spending \$25,000, spending \$50,000, your chance of winning the college gamble becomes less and less, comes down to close to 50%. And it really also matters what your major is. If you major in science, technology, engineering, math, field, then your chances bump up once again and you're likely to win the bet. But if you're taking anything else, if you're studying arts, humanities, a social science degree, your chance of coming out ahead, if you're spending even \$25,000

a year on college is no better than a coin flip. In other words, there are a lot of well-trodden, widely taken routes to college that are ensuring that you will not have a college wealth premium over someone who didn't attend college. Well, they're not quite ensuring it, but they are putting it at risk. And that's, I think, what really changes. It's just much more of a gamble than it used to be. I mean, one way of thinking about it is that going to college used to be like investing in a treasury bill. It was a very solid, boring, responsible thing to do. Now it's much more like going to a casino. You might come out ahead. You might win big, but you also might lose your shirt. You might lose everything. And that, I think, is what has really changed and what young people especially are responding to. They feel this sense of risk in going to college that didn't used to be there. And I think, understandably, just makes them and their families feel much more anxious about this investment. So when we remove the college wealth premium, then we have clearly taken away what I think many would argue is the single biggest incentive to attend college in the first place, which helps explain why millions of people are opting not to go to college. But the polling you cited at the beginning of our conversation makes me wonder if there's more to this than just bad economic outcomes of attending college.

[Transcript] The Daily / Is College Worth It?

You said that an increasing number of Americans just have a dim view of college itself, which feels a little bit separate and apart from just money. And I wonder what you think is going on there. I think you're right. I think there is more going on than just economics. I think there is a cultural shift and significantly a political shift that is happening at the same time where certain Americans, especially those on the conservative side of the political spectrum of Republicans and those who lean toward the Republican Party, they are the ones who have turned against college most vehemently over the last decade or so. It's amazing when you look at the public opinion polling. So up to about 2015, Republicans and Democrats were answering questions about college in more or less the same way. They were both mostly on board with the college idea. And then beginning in 2015, Republican public opinion about college just fell off a cliff. It just nosedived no matter how you asked the question. For some reason or other, Republicans were just becoming much more skeptical about college, and that has continued to today.

I'm curious what your reporting leads you to conclude is the cause of that. This is pre-Trump. This is pre-pandemic. What is it about college in the 2015 era that becomes partisan?

Well, I talked to a lot of conservative education analysts for this story, and they gave slightly different answers. But this was a moment in the middle of that decade where cultural politics were really shifting in some way. That was what Trump was reflecting when he started his campaign. And there was this sense, I think, among a lot of conservatives that college campuses had become these hotbeds of protests where these spoiled rich kids were screaming and yelling and interrupting their classes. And I think for a lot of folks who were looking at that, especially from a conservative perspective, it just undermined their sense that college was something that they wanted to be a part of. Got it. In other words, culturally speaking, college was a place seen as increasingly hostile to conservative viewpoints. Thus, among conservatives, the view of colleges became less and less appealing.

Yeah, and there was also data that was coming out in this era to support that. So, for the first time, we were able to see that on college campuses, there really were a whole lot more students who identified as liberal than students who identified as conservatives. So, about three times as many liberals as conservatives, a separate survey of college faculty found that there'd been this shift from about a two-to-one ratio in favor of liberals to about a five-to-one ratio. And all of this, I think, was happening at the same time. And so, whether Republicans were looking at those numbers or not, they were getting this sense that their ideas and their children were not really welcome on these campuses. So, on top of college being less and less profitable and lucrative as an economic proposition, which you've already described, it's also becoming less and less culturally welcoming as a proposition for many on the right. And as a result, you have two very large factors weighing on people's desire to go to college. Yeah, and I think in many parts of the country, those two things really come together into one sort of cultural sense that college is not a good idea. In the fall of 2016, I was doing a lot of reporting in a rural county of western North Carolina that had just gone for President Trump by huge margins. And when I was talking to young people there, what I found was that a lot of them had had really negative experiences in college. They had dropped out. They owed a ton of money. They didn't feel good about themselves. And a lot of family members were discouraging their younger kids from going on to college. I think if you're just looking at it through an economic lens, it doesn't feel good to just say,

[Transcript] The Daily / Is College Worth It?

you know, we can't afford this or you're not smart enough to go to college. But when you're able to turn that into sort of a culture war and say, we're not going to college because, you know, that's the enemy camp, those aren't people like us, I think in some ways it feels much more palatable.

Hmm. So the big question I'm left with, Paul, is how much ultimately does this really matter? Let me explain. College is too expensive, so I don't attend. College is too liberal, so I don't attend. Problem solved a little bit, right?

No. I mean, for individual young people, you can argue that it might make sense not to attend college. But when you look at the country as a whole, millions of young people opting out of college, it's a disaster. It is not going to work at all. Our economy is just not set up to lose millions of college graduates. We'll be right back.

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And the reason that I'm here today doing an ad on the daily is just this, to invite you to check out our show. Again, or for the first time in this American life, you can find new episodes wherever you get your podcasts. And our entire archive of more than 700 episodes is free for you to listen to in your next long drive or while you cook or exercise or whatever at thisamericanlife.org.

Paul, before the break, you said that our economy just isn't really set up for a large number of people to opt out of college. What exactly do you mean by that?

When you talk to economists about what this economy is going to need over the next decade, what they tell you is that we need more BAs. There's one specific economic report that says there's going to be 8.5 million missing American BA holders by the end of this decade.

Well, 8.5 million college graduates of the economy simply does not have.

Exactly.

Okay, so many of those jobs might not be filled with college graduates, but what about the people without college degrees? Aren't there still plenty of good jobs for Americans who might look at college and say, it's too expensive. That is too much debt. So I'm going to be a plumber. I'm going to be a mechanic. I'm going to have a good paying job that doesn't require a college degree. That's really the problem with these financial calculations, just because a college degree often doesn't pay off, it doesn't mean that there's lots of opportunity for high school graduates. So yes, there are some jobs in the skilled trades and in plumbing and welding

[Transcript] The Daily / Is College Worth It?

that can pay a decent middle class wage, but there aren't that many of them. And the reality is that for most people who just have a high school diploma as their highest educational credential, the opportunities are really limited. The Bureau of Labor Statistics calculated what are the fastest growing jobs over the next decade for folks who don't have anything more than a high school degree. And it's mostly home health aides, food service workers, cooks, warehouse workers, and all of these jobs pay a median salary of less than \$31,000 a year. In other words, for those who don't have a college degree, getting a middle class job is going to be increasingly difficult because this idea that there are tons of great high paying, for example, plumbing jobs all over the country, which is something you hear, that turns out to be a mythology. Yeah, I mean, there are some of them, but there aren't enough. And if we have a whole lot of people who only have a high school diploma, their opportunities are going to get worse and worse. So this is a very complicated little conundrum that you're outlining here, because if it's now going to be almost impossible to enter the middle class with only a high school education, there's a kind of damned if you do damned if you don't quality to this decision around whether to go to college. If you're looking at college and thinking that's just too much debt, then it doesn't make sense to go. But without that college degree, you are permanently consigned to a low paying job. Those are two pretty rough options. Yeah, and I think this has a lot to do with why so many Americans are angry at higher education. It's partly that sense that they're really on the horns of this dilemma. Would you explain that? Why would all this frustration be channeled at college? I think higher education is embedded in a sort of national economy that is increasingly unfair. People look at higher education and they see that it is unfair as well, that there are this limited number of high quality institutions that have a lot more rich kids attending them than poor kids. And they see lots of other institutions where people are coming out without a lot of opportunities and with a lot of debt. And that just makes them understandably mad and understandably anxious. In other words, college is another element of a rigged system. Yeah, and it's actually a very central element of a rigged system. I mean, if like the cost of cars or the cost of houses feels really unfair, that's not a thing that gives you opportunity in the world. It's not a thing that you need in order to have a middle class life. And so I think part of the anger about higher education comes from this idea that here is this thing that we've been told, arguably correctly, is an essential element of creating opportunity for yourself, for your children. And yet we've created a system in which it is increasingly unavailable to lots of middle class people. So this anger you're describing and the entire economic mismatch between the need for college graduates and so many financial reasons not to go to college that exists now, it feels like the kind of question that would be pretty urgent for policymakers in Washington to think about and to come up with pretty bold solutions for. And we know that some of those solutions are out there, right? Senator Bernie Sanders has a free college for all plan. President Biden has a plan that he's tried to put into place to reduce loan debt for college graduates. This is not a problem that hasn't been pretty well thought through. But we also know how quickly, and you kind of hinted at this earlier, we know how quickly these proposals have become politicized because of this reality that Republicans view college very differently than Democrats. So there isn't really a consensus right now in the country that this is an institution in American life worth promoting and protecting access to. So how should we think about all of that and the likelihood

that any real fix is in the offing? Yeah, I mean, I think it is the real danger in this shift in public opinion. I mean, you know, share a lot of the anxiety and the anger that I think goes into these public opinion polls, people saying, you know, they don't have confidence in college, they don't think it's fair, they aren't sure that it's worth it. But the problem is that that has turned people away from wanting to try to fix it. I think that's especially true on the Republican side of the aisle. But I think it's true for a lot of Democrats as well, who also feel a lot of anger at college, people trying to pay off student loans, people trying to get into the right kind of college. Because we've created a higher education system that is so competitive, that is so unequal. I don't think there's a real constituency for improving it, for fixing it. So I think any political solution has to be accompanied by a kind of cultural shift as well, where we think about higher education as a different sort of thing, as something that is a public good, and not just a consumer good. Especially that distinction. Sure. So mostly, for instance, we think about public education, right? We think about high school, we think about the education of 18 year olds as a public good. And then one year later, we want to put all of these same kids into this incredibly competitive, confusing system, where they have to figure out how to get to the right college, where it's extremely risky, there isn't enough information for them to make good decisions. And the cost is something that we've decided that they and their families need to bear on their own. It doesn't make any sense. There's not actually a big difference between an 18 year old and a 19 year old. But we've created a system where an 18 year old gets a free public education and a 19 year old has to negotiate this incredibly complex and expensive system. Now that you mentioned it, that does feel like a pretty arbitrary cutoff for when we ensure someone's education is publicly funded to when we basically throw them to the wolves. Yeah. I mean, when I think about it, I think about this earlier moment in American history, about 100 years ago, when it's this period called the high school movement. So in about 1910, only about 10% of young Americans were graduating from high school. And then there was this shift in the economy where suddenly there weren't so many jobs on farms and in simple factories and people needed more education. And the way that communities in the country as a whole responded to that shift in the economy was by saying, all right, sixth grade education isn't enough. We need to create these institutions in our towns, in our cities that will educate people up to age 18. And we're going to build them together. We're going to pay for them together. We're going to raise our taxes in order to do this. And what was created was this incredibly well educated, for the time, American middle class that became the most powerful economy in the world. And now the country is getting the same sorts of signals where actually 100 years later, no surprise, education up to 18 is no longer enough. You do need more education in order to succeed in this technological economy. And instead of saying, okay, let's get together and create a free public education system that's going to get people another few years of education so that they can compete in this economy, we have decided to just, as you put it, throw young people to the wolves and say, it's up to you to figure out how you're going to get to the right kind of education and how you're going to pay for it. So, Paul, based on your reporting here, I wonder who you ultimately conclude is responsible for fixing this the most. Is it the colleges themselves who have allowed their tuition to balloon so much? Or is the responsibility with elected officials who hold the purse strings that could pump so much more money into these colleges and alleviate the debt that's at the heart of why college is so unattractive right now? Well, I think it's a big enough problem that it is going to take lots of different actors to solve. But in the end,

[Transcript] The Daily / Is College Worth It?

I do think it is really a political problem. I mean, it's certainly true that we have these big political divisions, but in the end, this should be a nonpartisan issue. The economic problems of turning away from college like we are as a nation, those are going to affect Democrats and Republicans equally. And so getting past that kind of political divide, turning college from this thing where it becomes part of your identity and part of your ideology to just something that is an economic fact, is something that young people really should do and have opportunities to do when they finish high school, shifting that kind of cultural idea, I think would be the first step towards solving the political problem. Well, Paul, thank you very much. We appreciate it. Thank you. We'll be right back.

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Here's what else you need to know today. For the second year in a row, this gathering dedicated to peaceful resolution and conflicts is darkened by the shadow of war.

In a speech before the United Nations General Assembly on Tuesday, President Biden sought to rally the world to stick with Ukraine in its 18-month long war against Russia, warning that appeasing Russia in any way would reward its aggression and encourage it to use further force to redraw the international map. Russia believes that the world will grow weary and allow it to brutalize Ukraine without consequence. I'll ask you this.

If we abandon the core principles of the United States to appease an aggressor, can any member state in this body feel confident that they are protected? If we allow Ukraine to be carved up, is the independence of any nation secure? I'd respectfully suggest the answer is no. In his own speech before the Assembly, Ukrainian President Volodymyr Zelensky picked up where Biden left off, warning the nations of the UN that should Ukraine fall, they could be next. Many seats in the General Assembly Hall may become empty. Empty if Russia succeeds with its treachery and aggression.

Today's episode was produced by Michael Simon-Johnson, Summer Tamad and Carlos Prieto. It was edited by Devin Taylor and Lisa Chow, contains original music by Will Reed and Dan Powell, and was engineered by Chris Wood. Our theme music is by Jim Runberg and Ben Landsberg of Wonderland.

That's it for the Daily. I'm Michael Moral. See you tomorrow.

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[Transcript] The Daily / Is College Worth It?

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