

# Let's Stop Pretending College Degrees Don't Matter

*The New York Times*

Aug. 21, 2023



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Scanning the headlines, it would be easy to believe that a college degree is becoming increasingly irrelevant in a fast-evolving job market.

[Fourteen states](#), including [10 in the past year](#) alone, have dropped degree requirements for many state jobs. The trend is gathering steam at many high-profile businesses, notably tech firms [like IBM and Accenture](#). All this comes as college enrollment [has dropped](#), with an assist from a tight job market and worries about student debt.

In a world marked by [continued racial disparities](#) in employment and economic well-being, there is [a growing outcry](#) that expensive college degrees represent a barrier rather than a steppingstone. The argument goes: Many talented people, including disadvantaged minorities, may possess the skills needed for many white-collar roles without holding the formal credentials listed as prerequisites.

These advocates, who can be found on the left and the right, mean well. Nonetheless, a look at the data suggests the skills-based hiring movement may actually amount to little

more than populist virtue signaling. The evidence so far suggests that the movement may do little to expand economic opportunity. What's worse, it sends a degree-skeptical message that risks hurting rather than helping those who most would benefit most from pursuing an education beyond high school.

As always, it's useful to look at what economists call "revealed preferences" — or what people do, regardless of what they say. The economic advantage of getting a college degree remains at just about an all-time high when compared with the average earnings of Americans with only a high-school diploma. In recent years, a typical college graduate earned a median wage premium of more than \$30,000, or almost 75 percent more than those who had completed just high school, [a 2019 New York Fed analysis](#) found.

In April 2022, [a major study](#) by the Society for Human Resource Management, or S.H.R.M., found that 71 percent of executives said that some alternative credentials are equivalent to a bachelor's degree. But only 58 percent of supervisors (most likely beneath those executives on the organization chart) concurred, a figure that fell to 36 percent for human resources professionals, or those typically closest to hiring decisions.

In [another experiment](#) by S.H.R.M., hiring managers and human resources professionals evaluated hypothetical job applicants with traditional degrees more highly than those with alternative credentials, particularly when the job ad used strict degree requirements. This was the case even when the latter were viewed as more likely to have the technical skills needed for the job.

Another study often cited as evidence of declining employer interest in college degrees doesn't fully capture what's happening. The Burning Glass Institute's "[Emerging Degree Reset](#)" report from last year pointed to a decline in degree requirements for middle-skill jobs in particular. But the analysis was [based on online job postings](#), not actual hiring decisions. A later [data analysis](#) found that in some key respects, "employers are hiring more (not less) college grads."

What about all the Silicon Valley firms so often associated with the "death of the degree" narrative? Here, too, revealed preferences are, well, revealing. Degree requirements in formal job listings remain in the [70- to 90-percent](#) range at blue-chip firms like Google, Apple and Intel. Even much-hyped alternative-credential programs — like the online Grow with Google certificates, which offer professional training in high-demand tech fields like cybersecurity and digital support — aren't designed to get certificate holders hired at Google.

Maggie Johnson, Google's vice president of education and university programs, told me that although the company has made a small number of hires from top coding boot camps, "I still doubt that boot camp graduates can learn new languages and technologies as quickly as someone with" a computer science degree.

There is a reason college graduates earn so much more, and it isn't just because they've got an extra piece of paper. The huge growth in the wage premium for college degrees reflects not state bureaucracies or corporate HR policies, but century-long economic

changes that generate more jobs requiring the abilities and knowledge acquired in college.

The broad education and targeted skills that college graduates usually obtain prepare them for career success. That includes analytical and communications abilities, tailored preparation in popular subjects like business, nursing and computer science, or liberal arts majors that have significant long-term benefits. When undergrads are also able to develop their [social capital](#) to build professional networks, so much the better. It's a category error to treat college degrees like dubious occupational licenses that have become barriers to entry in certain fields.

College degree alternatives may still play a worthwhile role for some students. For all the benefits that accrue to earning traditional two- and four-year degrees, large populations of learners need something different. Tailored, short-term, skills-based programs and credentials in everything from data science to graphic design should be widely accessible — and they should be simple to acquire and reacquire over a lifetime, to meet changing needs. Whenever possible, students should be able to combine them, over time, into two- or four-year degrees. Remember, much of the growth in skills-based credentials seems to be coming from people [who already have degrees](#) and want to supplement them with additional skills. They're taking a "both/and" approach to get ahead, not giving up on degrees altogether.

We often hear that the strong preference for degrees isn't fair to the majority of Americans who didn't go to college. But [that majority is falling fast](#), and the percentage of college-educated American adults is pushing 50 percent when associate degrees are included. And while the percentage of Black and Latino college graduates is significantly lower, it is far higher than a few decades earlier. In fact, in 1960, [only 41 percent](#) of Americans had completed high school. It might have been plausible then to argue that plenty of dropouts had great talents and were unfairly penalized by high school diploma requirements. But it would have been badly misguided to oppose efforts to vastly improve high school graduation rates, which stand [at 91 percent](#) today. College degree requirements aren't sacred. But they reflect the unmistakable reality that higher education helps people do well.