

Paper assignment – due Thursday, Dec. 3, 5pm

From Goldin and Katz, pg. 335-336:

“The American Dream as an Unfinished Transformation

As we saw in Chapter 7, the share of young adults graduating from a four-year college soared in America in the 1950s and the 1960s, but college completion rates slowed considerably in the 1970s and even reversed for young men until the mid-1980s. The slowdown and reversal were so extreme that college graduation rates for young men born in the mid-1970s are no higher than for those born in the late 1940s. College graduation rates for young women also slowed for cohorts born in the 1950s but picked up again with those born in the mid-1960s.

The slowdowns in both high school and college completion rates have meant slower growth in educational attainment since 1980. Mean years of schooling among U.S.-born 30-year-olds had once increased by about one year per decade – by 2.4 years from 1930 to 1955 and by 2.3 years from 1955 to 1980. But from 1980 to 2005 the educational attainment of 30-year-olds increased by just 0.8 years. Educational attainment grew rapidly beginning with cohorts at the start of the high school movement (those born around 1900) through the early baby boom cohorts (those born around 1950). Each generation was far better schooled than their parents, but that is no longer the case, particularly for males.

Interestingly, college graduation rates today are far below what high school graduation rates were in 1940. In the 1950s America believed it was on the path to universal college and the third educational transformation. But the transformation stalled. The question is why.

We previously asked whether we have reached some natural limit to educational attainment. Our first answer was that evidence from comparable nations suggests that we have not. The second way to answer the question is to measure the returns to education.

Standard measures of rates of return to education, particularly to college completion and to graduate and professional training, are exceptionally high today. They have increased substantially since 1980 and are currently at historically high levels. Our estimates from Chapters 2 and 8 imply about a 13 to 14 percent rate of return to a year of college in 2005. The true economic rate of return would remain high even after adjusting for the direct resource costs of providing a college education. Thus, investments in school would appear to make enormous economic sense. What is preventing America from crossing the finish line?”

In 5 pages, write an essay, with supporting evidence drawn from Goldin and Katz (and other sources if you like), that answers this last question.