

[The Bill Walton Show](#)

The Case Against Education: Why the Education System is a Waste of Time and Money

Speaker 1:

Bryan, are you there? He's somewhere.

Bryan:

Hello?

Speaker 1:

Okay, Bill.

Bill:

Okay, great.

Bryan:

Hold on. I've just got a sound problem. Hold on.

Bill:

Hi, Bryan.

Speaker 1:

Do you hear him? We can't hear him.

Speaker 4:

Okay, we're trying to get this figured out.

Speaker 1:

That's him right there. Just ...

Speaker 4:

It could be on his end, too.

Speaker 1:

Right.

Speaker 4:

He has to make sure he's not muted by mistake and you have to ask him to do that.

Speaker 1:

Okay.

Speaker 4:
If that's the case.

Speaker 1:
He's not there yet. He was sitting there.

Bill:
There he is.

Speaker 1:
Can you hear us? Bryan?

Speaker 4:
Yeah, he's getting signed in.

Bryan:
Testing. Hi. Okay, now I can hear you.

Speaker 4:
Okay, can we ...

Speaker 1:
Can you hear us?

Bill:
Can you hear me?

Bryan:
Yes, I can hear you loud and clear. I can hear you loud and clear.

Speaker 1:
Unmute. Okay.

Bryan:
You can hear me?

Speaker 1:
We can hear you. You can hear us, right?

Bryan:
Yeah, I can hear you fine.

Speaker 4:

Make sure your computer ... Try something else on your computer to make sure you can hear your computer speakers at all.

Bryan:

Okay, hold on. Yeah, hold on.

Speaker 4:

Making sound and turn that up.

Speaker 1:

Right.

Speaker 4:

[inaudible 00:01:56] some of the source to go anywhere-

Bill:

Okay, so where-

Speaker 4:

[crosstalk 00:02:00]

Bryan:

All right. How about now?

Speaker 4:

It may be on your end, too.

Bryan:

Can you hear me now?

Speaker 1:

Okay.

Bryan:

Can you hear me now? No.

Speaker 4:

Like, you can just go to YouTube and play something real quick.

Bill:

I can't seem to find our-

Bryan:

Can you hear me now? No.

Bill:

[inaudible 00:02:21] though.

Speaker 4:

Put your mouse up against it and it'll come up. Like, put your mouse up against the bottom of it.

Speaker 1:

All the way [inaudible 00:02:29].

Bill:

Okay.

Bryan:

So, you still can't hear me? No? No. Hmm.

Bryan:

Okay. I'm going [inaudible 00:02:50].

Speaker 4:

He's not muted, but sometimes it is.

Bill:

Oh, they're talking over there.

Bryan:

Can you hear me now?

Bill:

For some reason.

Speaker 4:

Do you want me to try?

Bill:

Yeah, that'd be great.

Speaker 4:

Bryan, I'm going to need a second while we work that out.

Bryan:

Okay.

Speaker 4:

Texting.

Bryan:

Should I reboot or-

Speaker 1:

It's not on the settings in the-

Bill:

You should go into settings and check the audio.

Speaker 4:

That's what I'm doing.

Bryan:

[inaudible 00:03:37] hold on.

Speaker 5:

What do banning plastic straws accomplish? Probably nothing at all. It might-

Speaker 4:

Okay, can you say something?

Bryan:

Yes. I'm talking.

Speaker 4:

All right. I'm not getting you. Just a second. Sorry.

Bryan:

No problem.

Speaker 1:

You're doing settings, and you're making sure the microphone says ready.

Speaker 4:

There we go. [crosstalk 00:04:06] We can hear you now.

Bryan:

Okay, good.

Speaker 4:

I know, just a moment and I'll get out of the way.

Speaker 1:

Okay.

Speaker 4:

So, that's under sound settings [inaudible 00:04:16].

Speaker 1:

Okay. Let me make sure we're recording. Okay.

Bill:

Hey, how are you?

Bryan:

I'm doing great.

Bill:

Glad you could do this. I really appreciate you taking your time.

Bryan:

Sure thing.

Bill:

You're a professor at my favorite school of economics on the planet.

Bryan:

Me, too.

Bill:

I know that resonates in your book. We're in a tent in ... I've had the show up and going for a while, and we've been having most of our guests in the studio that you can see here.

Bryan:

Mm-hmm (affirmative)-

Bill:

I decided to get the AP people I wanted to get, like you. I want to convert the show to where we could be zooming and getting people working immediately, and that's what we're doing today. So, if there's some technical glitches, we're kind of ...

Bryan:

Sure. No problem. I understand.

Bill:

Okay. So ...

Speaker 6:

Hold on one second before you start.

Bill:

Are we ready to go, guys?

Speaker 6:

Yeah.

Bill:

How much time do you have?

Bryan:

I need to be done by 11:40.

Speaker 1:

Okay.

Bill:

Me, too.

Bryan:

Okay.

Speaker 1:

Just bear with me one second, please. Okay. You should be good to go.

Bryan:

Okay. [inaudible 00:05:36]

Bryan:

Okay, great.

Bill:

Well, welcome to the Bill Walton Show. Increasingly with this show, we're aiming at taking on conventional wisdom and sacred cows, and maybe a little bit of deconstruction here. I'm trying through radically better, different ways of doing things, and check on ideas that may be seem impossible at first, but after you think it through, make a lot of sense.

Bill:

Today, to get us kicked off in this, we've got a title of this show, 'The Case Against Education. Why the Education System is a Waste of Time and Money.' With me to talk about that, is an author of a book by that same name, Bryan Caplan, who is a professor of Economics at George Mason University and a blogger at EconLog. He's also written 'Selfish Reasons To Have More Kids,' 'The Myth of the Rational Voter' and 'Why Democracies Choose Bad Policies,' which I would include education as a part of that mix.

Bill:

Welcome, Bryan.

Bryan:

Thanks so much for having me.

Bill:

What gave you the idea to write this book?

Bryan:

I guess it all started when I was five, and I went to kindergarten and was confused by why we had to learn the things that we were learning. You see, from a very young age, I felt like I'm never going to need to know most of this stuff after I finish, so why are you making me do this? The usual answer adults gave me was, "To get a good job." I looked around and said, "All right. Well, there seems to be something to that because almost all of the adults that I know who have good jobs did well in school, but I'm still confused about it."

Bryan:

This mystery, this contrast between the apparent useful system, most of what you're studying and the big payoff in the job market is what makes the book. It's the puzzle that I'm trying to explain.

Bill:

Well, you must've figured out the system a bit. You ended up with a PHD from Princeton.

Bryan:

Uh, yeah. So, by the time that I was in Junior High, I had something kind of like the story that I am in the book, a very primitive version, [inaudible 00:07:51] just to get ahead of myself. What I say in the book is that the reason why even really irrelevant education pays the labor market is that it certifies you. It gives you a seal of approval, a stamp on your forehead. Employers are [inaudible 00:08:04] to go and hire someone that doesn't have the right academic degrees, and therefore, you can get a big payoff even for studying for something that's totally irrelevant of the jobs because it reassures employers about your intelligence, your work ethic, and also just your sheer conformity. Your sheer sheep-like willingness to go and do whatever the system says you're supposed to do.

Bill:

You call this signaling.

Bryan:

Yes.

Bill:

If I could summarize, you believe that most of what we learn in school, we forget almost immediately.

Bryan:

Yep, and you couldn't use it in the real world anyway. It's just not [inaudible 00:08:41].

Bill:

Well, that's interesting because I've got an MBA, and the only useful class in the MBA program, only one, was accounting. The rest of them-

Bryan:

Sure.

Bill:

I don't use any of it in the rest of my career. This is called signaling.

Bryan:

Mm-hmm (affirmative)-

Bill:

You compare signaling, the Signaling School of Thought to the Human Capital School of thought, which I would also call the romantic, Educational Romanticism School of Thought. Could you amplify what [inaudible 00:09:13].

Bryan:

Sure. Well, there's an even more romantic one, yes. So, the usual view about education is that you go to school, you learn a bunch of useful skills, and then employers are interested in hiring you if you learn those skills well because those skills are useful. That's the human capital view.

Bryan:

The signaling view, which is the main one I'm pushing, although I don't think it's the whole story. I think there's something to that human capital story, but the signaling story says it's not really that school is transforming you from a bad worker into a good worker. Rather, you go to school to get certification. In order to get a bunch of seals of approval saying, "Grade A worker" or "Grade B worker."

Bryan:

Now, there is the really romantic view of education, which is that it's transforming your soul. It's going and preparing you to appreciate the mysteries of life and that kind of thing. Actually, that's a story that I have a whole chapter on. There's a lot of people who look at the book and say, "Bryan is just a hand-fisted economist who doesn't appreciate the finer things in life." I say, "Well, at least consider the finer things of reading the table of contents. I do have a whole chapter on this subject."

Bill:

The thing that is so impressive, and I want to make it clear that you're not just shooting from the hip. I picked up ... I was reading you on Kindle and I went ... Kindle is only slightly satisfying because you don't get a feel for the book, and I got the actual book and I learned that we've got 40 pages of notes in small font type. You also have 43 pages of references, which I counted up, was about 800 books in publications that you dug into, and you've taken about five or six years to create this. You didn't just sort of go out to the meadow one day and think great thoughts, then come back and write this.

Bill:

How does all of that reading and researching form your thinking? Are there a lot of people that support this view, or are you the minority voice?

Bryan:

Yeah. So, let me answer that second question first. Are a lot of people that support view or am I a minority voice? All I will say is I'm a small minority voice among social scientists who do work and education. However, if you go and broaden the sample a bit, I find that when you just talk to economists in general who aren't specialists in this area, they say, "What is it that other people thing?" Then, when I go and talk to people who have just gotten a lot of education, I'd say a majority of them agree with me.

Bryan:

So, it's sort a weird case where the people who know the most disagree with me the most, and the people on the other hand who have sort of an intermediate level of knowledge are often very much in agreement with me. So, I'll honestly say that disturbs me. So, like, "Gee. The people who know the most think I'm wrong, so maybe they know something I don't know."

Bryan:

A lot of the way that I write my books is I just read voraciously. I am an economics professor and a lot of economists will, at best, only read what other economists have written. I really try to broaden my net. I try to read psychologists, sociologists, like education researchers. I just try to read anyone who is thinking about the subjects. Not in the field, but just like the topic, like, who has the topic on their mind.

Bryan:

I'm happy to admit that, before I start doing serious reading, I've got an opinion, but at the same time, I really do try to not just read things that I need to read, whatever has to say about it. Often I do change my mind in the process of writing the book, and really the final product is what happens when I expect to find crashes up against everything I've read.

Bill:

One of the things that strikes me, this book is both a public policy book, but it's also a self-help book.

Bryan:

Mm-hmm (affirmative)- Oh, yeah.

Bill:

The point is that, and I agree with most of, not everything you've been writing in this, but for an individual, the signaling model can work really well.

Bryan:

Mm-hmm (affirmative)-

Bill:

You collect the sheep skin, you do this and that, and you get the good job. You get well paid and happy, and live the great life, but for society, which is the policy piece, you think we're massively over invested in education.

Bryan:

Mm-hmm (affirmative)

Bill:

That we could use a lot less education. In fact, one of your chapters is titled 'The White Elephant in the Room,' subtitle 'We Need A Lot Less Education.'

Bryan:

Yeah. So, this contrast is crucial to the whole signaling model because the idea is, again, you go to school, you do well, and it impresses employers, right? It makes you look good. You get the school seal of approval, but then here's the problem. Suppose everybody gets the seal of approval. Then, it no longer really says very much about you, does it? Then, you may want to get two seals of approval or a gold stick seal of approval, or whatever.

Bryan:

What the signaling model says is that if everybody goes and gets more degrees, then this would mean that everybody can get good jobs, rather employers jack up their expectations for how much education you need to be worthy of an interview. One of the main implications of this is that if degrees perforate, you'll get what researchers call 'credential inflation.'

Bryan:

Credential inflation, this is where you need more degrees to get the very same job that your parents or grandparents were able to get with less. What I say is when you go and look at the numbers, there's a massive credential inflation in the US over the last 70 years.

Bill:

Now, that's happened with high school graduation rates, too.

Bryan:

Well, sure.

Bill:

People were upset that enough kids were not graduating, so they just changed the standards so everyone graduated.

Bryan:

Right. I mean, actually surprisingly, even though the standards are low, still, you've got about 25% of students not finishing high school on time, but yeah. Way more people graduate from high school today than 1950, but it also means that the high school degrees just isn't very impressive anymore.

Bill:

So, there's so many facets to this. We've talked about so many things, we don't have enough time to talk about, but one of the other things you do is you break students, and let's stick to the self-help part of this, in to four categories.

Bryan:

Right.

Bill:

High performing, medium, I can't remember the four.

Bryan:

Excellent, good, fair and poor students.

Bill:

You're advising different decisions for each one of those categories. If you self-identify as a poor student, you should be thinking about your education in one way. If you're an excellent one, you think about it in another, and you make the economic calculation about what ... How long is it worth for you to stay in school, as opposed to go get a job.

Bryan:

Well, hearing us, here's the main thing to know in terms of self-help. You should not go and look at the success stories only. Instead, you should also consider the odds of success because a lot of people start education programs they do not finish, and most of the payment comes from crossing that finish line. Especially for college.

Bryan:

So, if you're trying to decide whether to go to college, don't just look at how well college grad students are doing. Look at how often people who are similar to you, successfully finished college when they try. You'll say, "Well, how will I know?" Well, the best predictor of future success is past success. So, if you did very well in high school, then college is likely to work out very nicely for you, and you're likely to get a good job out of that.

Bryan:

On the other hand, if you did poorly in high school, then your odds of finishing college are very slim, and you should factor that into your decision of either to try.

Bill:

The educational romantics believe that everybody is the same and we should all just try a little harder to educate more and spend more money on education.

Bryan:

Mm-hmm (affirmative)-

Bill:

You don't think that.

Bryan:

Right.

Bill:

You think that there is a differentiate ... The [inaudible 00:17:02] of the controversial word after Charles Murray, but I happen to agree with Charles that there are differences in talent levels. You're really saying this is, you've got to assess where you are to make your decision about what your next step is.

Bryan:

Yeah. So, I totally agree with that, although I think that you don't even need that. All you need to do is say, "Hey, look. I don't need to understand exactly what's going on. All I need to know is that people who did really bad on standardized math tests in high school hardly ever finish college." Right? You can say it's a talent, it's effort. It's like, well it doesn't really matter what the answer is that much, as long as you know that you are unlikely to succeed.

Bryan:

So, if you were to say, what is it that makes a successful basketball player? You could sit around arguing all day about like, "Is it hard work?" "Is genes?" Whatever. I would say, "Look, as long as you know that I was no good in basketball in high school, then you know with pure certainty that I would never be good enough to play professionally," and we don't even need to have the big argument about why. We just need to say, "Look, I don't know why, but I do know that you're not going to succeed, so it's just a waste of your time."

Bill:

I think it was in my Junior year in college when I was playing pick-up basketball that I concluded in the middle of a game that I'd better focus on finance because my skills were not differentiating me on the court.

Bryan:

Yeah, absolutely. So, like I said, the single most important thing to understand is yourself. So, what are your odds of actually succeeding? Of course, if you're parents, this is very important. In a way, I would say the book has aimed more parents than a kid because the kids are still too immature to be thinking in this way when they're making these important life decisions, but for a parent to decide, "Should I be pushing my kid into college or not," this is where you really should, honestly, say, "What would a stranger say about my kid's academic performance." They're probably going to be more liable than me,

and if your kid has just never been into academic, you really might want to think about trying to find a trade that your kid likes and is good at.

Bill:

Well, let me plug your book because I found that your self-help piece, the advice you give to the parents about how to assess what their children's path ought to be, is they pick their way through the education minefield in incredibly helpful.

Bryan:

Oh, thanks.

Bill:

You actually put some financial metrics in there. We talk about rates and return.

Bryan:

Mm-hmm (affirmative)-

Bill:

They need a 10% return, or whether your return is negative. You've actually created some analytics, rather than just saying, "Well, gee. This feels right and this doesn't feel right."

Bill:

Do you want to amplify on how you did that?

Bryan:

Sure. Well, I spent 15 months in front of this computer with spreadsheets. It was sort of a low point in my life, but I felt like I really needed to do it because, yeah. Like, intuition for complicated arithmetic is terrible, and you need to actually put things down and play with it. I put a lot of time into trying to figure out, not only the numbers, but also trying to figure out a way to making it accessible to readers. Then, that's where I came up with this idea of these ideal types, these archetypes, like the excellent student, the good student, the fair student, the poor student. I had very specific definitions to this.

Bryan:

The good student is someone with the average ability of someone who has finish a college bachelor's degree. Although, you might now ... Basically, by definition, the average college graduate is the good student, but however, it could be you have the ability, but not the degree, or you could have the degree without the ability. These are all possibilities, and I try to sort out like, if you happen to get a degree that overstates your ability, then how much will that pay off for you? Or if you happen to be missing a degree that someone with your ability would normally have. How much worse if your life going to be? Right, and these are crucial questions.

Bryan:

Often, I'll meet someone who seems very bright, very motivated, but they're missing a degree, and sometimes they manage to pull it together and still succeed very in life, but other times, I see a person who is just not getting the opportunities that their ability really entitles them to because no one wants

to give them a chance. People are just nervous to give them a chance given that they're lacking that seal of approval.

Bill:

Coming back to the human capital piece of this, your view is the education system does a very poor job of giving people useful skills that they retain that they can take into the workforce.

Bryan:

Yeah, absolutely.

Bill:

So, the fact that you went to school for 12 years and got to your Senior year in high school, that doesn't tell you that much about what they know. So, what you need to do is you need to push through, get the high school degree. Then, the employer looks at that degree and say, "Okay, that's the certificate I needed to bring you into my company" You really devalue what happens in schools. You've got to be getting a lot of pushback from professional educators.

Bryan:

Well, interesting you should say that. I would say the main pushback I get is just, "Well, give us more money and then we can do the job." So, it's very unusual for me to meet a person who says the system actually works well. That's a very ... So, college professors are a lot more likely to say that, "College works well and let's all talk about how American colleges are the best in the world." This is where I will say, "Well, [inaudible 00:22:32] by some measures, they're the best in the world, but that's not really saying that much because even college graduates still are fairly weak on some pretty basic skills when you really take a look at it."

Bryan:

Mostly, people just want to say, "Well, sure. Look, maybe things aren't going that well, but give us a lot more money and then, I guarantee that things will turn around."

Bill:

It's worked so well here in Washington, D.C. What are spending, \$25,000 a year per student? Even if you factor in special ed, it's \$22,000, which is-

Bryan:

Yeah, I've notice. So, D.C. is indeed the most expensive school system in the country. You might say, "Well, we're starting from a tougher point." But it's like, come on. \$25,000 a kid and you are turning out like high schools kids who are barely literate, and that really is true. So, it sure seems there's got to be a better way of doing it, but more importantly, if the fact that you're taking all of this money and still failing suggests that you just are not all that motivated to succeed.

Bryan:

So, again, what I say is, "Look. There's a lot of research out there about how to improve learning, and I think a lot of is probably good, but then you look at the system and they're just not using it."

Bill:

Well, the further-

Bryan:

Like I said, the system is so dysfunctional that they'll just keep blowing taxpayers' money, despite the fact that there are methods out there that would work better. That's why I say, "Look. I just don't trust you and we should just reduce your funding very heavily until you get your act together. So, you fix yourself first before you get another dime." Seems like a much more reasonable deal than the one where like, "We're not doing well, so give us more money."

Bill:

Well, I want to talk about a lot of ideas in your book. As I sit here and talk with you, I think you could've gotten four or five books out of this, but you packed this one in.

Bill:

One of the culprits you see in the public K-12 system is the fact that it's all free. I'll put that in quotes, and it's all funded by taxpayer money. So, therefore there's no real price system or cost metrics that we use to measure education.

Bill:

Thinking of radical solutions, how would you change that? Let's say we've got this massive misallocation, the tax payer dollars and public education. Let's agree we think that's true. How do you change that?

Bryan:

Well, if you want to get really radical, of course you could just abolish public education, and I do have a paragraph or two on that, but ... I mean, really what I say is, "How about we go and cut spending by 30%?" Let's basically just take spending back to the level it was a few decades ago and see what happens. Right?

Bryan:

So, a lot of people get ... They'll say, "You've got to tell me, I need an exact blueprint before we can do this." And I say, "You know, there's a strange double standard here." When people say we need more money for schools, people don't usually say, "No way until you give us an exact blueprint of how you plan to spend the money." When people ask for more money, then it's like, "Sure. We trust you," but on the other hand, when you say, "Less money," that's where people say, "I can't even consider your idea until you write an encyclopedia about where every dime of budget cuts are going to come from."

Bryan:

I am happy to talk about some of the most wasteful things that I see going on. I mean, although it's one where you could almost just throw a stone into a school and hit a place where they're wasting money. Some of my favorite ridiculous ones are they require four languages. What's so wasteful about that?

Bryan:

Well, two things. First of all, almost no American adult uses a foreign language [inaudible 00:26:09]. It's just a fact. Secondly, whether or not you agree with that, virtually no American adult even claims to

have learned to speak a foreign language very well in school, despite the fact that it's standard to do two or three years.

Bryan:

So, essentially you're teaching people something that they almost never use and where almost no one even claims to have learned it, despite the fact that you're putting a lot of years of classroom material on in. So, to me, that's crazy.

Bill:

Well, the thing about what you're talking about is you're running into what you call the social desirability bias.

Bryan:

Mm-hmm (affirmative)- Oh, yes.

Bill:

You're taking on every piece of conventional wisdom about education that's out there.

Bryan:

Right. So, I wouldn't go that far. I would say I consider every piece of conventional wisdom on its merits. Some things people that people think are actually true, but ... Some popular things are true, but a lot of them are now. A lot of what I try to do in the book is to say, "Look, this is not a book about making anybody happy. It's not a book about winning friends. It's just a book about very calmly looking at facts and saying what facts are," and just accepting the way the world works is not the way that the people want it to work in many cases. Sometimes it does, but a lot of times ... Like, with a happy story is the false story, and when that's true, I just say it's false.

Bill:

Well, what does the social ... I forget the term.

Bryan:

Social desirability bias.

Bill:

The social desirability bias, define that.

Bryan:

Right. So, this is a general idea in psychology that just says that when the truth is ugly, people are inclined to both say and believe lies. So, it could be as simple as like, "Am I fat?" What is the socially desirable answer to the question? "Am I fat?" What are you supposed to say when someone asks you that?

Bill:

You know the answer.

Bryan:

Yeah, "Of course not."

Bill:

"You look better darling. You look fantastic."

Bryan:

Of course, sometimes a person asks the question and they're thin. Then, the socially desirable answer is the true answer, but the problem is that we're very sorely tempted to say that everyone is thin, even when it's totally not true. Even of course when the consequence of lying could be that person will die like 20 years earlier because people are kidding themselves about the seriousness of their weight problem.

Bryan:

You can see this in a lot of other things. So, "Did you go to church last weekend?" or "How often do you go to church?" What you see here is that people overstate their church attendance. Maybe they're lying, and maybe they just sort of kid themselves into thinking they're going more often than they really are. You can see this in questions like, "Are you rich?" Virtually no one in American or actually on Earth admits to being rich. Why is that?

Bryan:

If a person comes in a room and say, "Hello. I'm a rich man," what do we think about that person? Like, "What a jerk! What an arrogant insufferable, horrible person." So, there's a lot of social pressure not to say that. So, when you just go and ask people, in anonymous surveys, "Are you lower class, working class, middle class or upper class?" Almost no one in the country says they're upper class, and I know lawyers making half a million a year who claim to be middle class. I'm like, "You're out of your mind if you think you're middle class." Yet, they give the answer that feels good, rather than the one that accurately describes the facts.

Bill:

Politicians don't get elected promising to cut back on things. They get promised-

Bryan:

Exactly. Well, they may get elected promising to cut back on waste, but what is waste?

Bill:

Yeah.

Bryan:

So, yeah. Anyway, this is a very general concept in psychology that when the truth is ugly, people both say and even believe lies. What I say is that this concept explains so much [inaudible 00:30:03] education because there's a lot of obvious lies about education that are widely said. Again, I think people somehow manage to convince themselves to believe this nonsense. Everything from, "There's no such thing as a stupid child." That sounds so good, but come on. Of course there's stupid kids. There's stupid adults. How could there not be stupid kids? Like, "there's nothing more important than our

children's education." How about food? Is food more important than our children's education? Of course food is more important than our children's education.

Bryan:

So, there's so many things people say that are slogans where they sound really good and people get mad at you if you say otherwise, but they're just wrong. I say so much of our education policy is driven by the social desirability bias. When I go and say, "Look, you're not really likely to use most of what you learn in school on the job," this is where, on the one hand, off the record, a lot of people say, "Yeah, that's right," but if you go and say this in public form, people start saying, "I very much strongly disagree with that. I think foreign languages are going to be very important in our globalized world. They already are. Why, I know a person who once got a job because they spoke Greek." It's like, "Yeah. How many people do you know who didn't get jobs because the foreign language they learned, and did the Greek speaker actually learn Greek from school, or did they learn it because they're a Greek immigrant?"

Bill:

Hey, let's switch gears. I've been writing and talking about economic growth, and about how economic growth can cheer a lot of ills, pay for a lot of things that we otherwise couldn't pay for and raises everybody up. Then, I read your book, and I've been an education romantic, I guess, because I always felt like if we educated people more, we'd have a more innovative society, and the economy would grow and we'd all live happily ever after. Although, I read in your book now that education has no clear effect on economic growth.

Bryan:

Mm-hmm (affirmative)- Yeah. So, here's the two things. If you measure education the usual way, which is just average years of education to the workforce, then there's been a lot of work on this and the usual finding is that the effect of national education on national prosperity is much smaller than the effective individual education on individual prosperity.

Bryan:

If you raise an individual's education by year, then he's probably going to end up earning 8% or 10% more on average, but if you raise a nation's education by year, so the average education of workers, that country goes up by a year. Then, a pretty reasonable estimate is that the income of that country will only go up by 2%.

Bryan:

So, this might be a puzzle unless you believe in the signaling model, and you realize, "Yeah. Well, when an individual goes and gets more education, they don't just get more skills." They also look better to employers, but if the whole country gets more education, the whole country doesn't look better to employers. Then, employers will say, "Yeah. Well, now it's normal in this country to have a high school degree or a bachelor's degree." Then, they jack up their expectations.

Bill:

You may be [inaudible 00:33:07] terms. I wanted to do this earlier, but education, when we talk about education, you're talking about time people spend in the classroom.

Bryan:

Yeah. So, that is the normal way that we measure it.

Bill:

But that's different from acquiring knowledge and skills.

Bryan:

That's right.

Bill:

And real learning.

Bryan:

So, there is research saying that if students actually learn stuff, that is better for the economy, and that's a more complicated issue. Although, there's a lot of work saying that just spending more time in school leads to very little extra learning. The main thing is, when education policies all centered around the time in school metric and the getting degrees metric. If you want to focus on actually teaching people useful stuff, then that sounds like a much better route, although, there again, what I say is you really want to focus on are they actually learning stuff they're going to use in the real world.

Bryan:

What I say ... Let me [inaudible 00:34:06]. So, one of the big mysteries I say my book raised is how is it that we have so many skilled workers if education doesn't really teach people much of use? I say that the answer is the education is basically the ... It's your access card to getting the real job training. The real job training generally occurs on the job. So, the real way that you learn how to become an engineer, or like a journalist, it's not from going and sitting in school and getting a bunch of classes. It's from actually getting your first job and then they teach you how to do it.

Bryan:

Obviously like a pilot, you don't learn how to be a pilot in school. Instead-

Bill:

So, there's a lot of value in leaving school earlier to get out and actually do something. The argument in staying in school is it socializes you and you learn norms, and in the most cynical way, you say you learn conformity.

Bryan:

That's all true, although it's important you remember you learn that stuff on the job, too.

Bill:

That's where I'm going with this is, if you just said, "Okay. I'm just 16 and I'm going to get a job," you're going to learn a lot about socialization and work ethic, working as opposed to being in school.

Bryan:

Mm-hmm (affirmative)- Yeah, absolutely. School is a great way to socialize kids and teach them discipline, compared to staying home alone in their basement playing video games. If that's the relevant comparison, then yay school!

Bryan:

On the other hand, if the relevant comparison is having a full-time job, which is of course is, both historically and around the world, is the normal thing an adult does instead of being in school, then I say it's very hard to make the case for school at that point because both school and work provide training and discipline. They provide discipline. They provide socialization, but work is better preparation for the world of work than school is for the world of work. How could it be otherwise?

Bill:

Well, you've heard about Peter Theil's scholarship?

Bryan:

Oh, yeah.

Bill:

Where he pays kids to drop out of college, so they can go be entrepreneurs in Silicone Valley. He knows a bit about that. He founded PayPal and a couple of other companies, and he's a billionaire. So, he's actively saying, "Look, get out of school. You're going to develop bad intellectual habits, work habits. Go out and build something," which I think is very appealing.

Bryan:

Right. So, Pete Theil has actually, explicitly, toned it down a lot. He never quite said that. What he said is, "I want to create an option and see what happens." Now, he may believe what you're saying, but what he said publicly is, "I'm not trying to get people to drop out of school in general. I'm trying to find whether there's another path that we should explore more." So, that's the point of the scholarships, is to go and get very talented kids to not go to college.

Bryan:

Of course, I say you don't learn that much from the Theil fellows because, of course, he's able to go and pick remarkable people.

Bill:

We've got a couple of minutes before we wrap up. So, 35,000 feet, education, time in school, credentials benefit the individual, but you believe we're massively over invested in education as a society.

Bryan:

Mm-hmm (affirmative)-

Bill:

I don't know what the number is. Let's say it's 10% of GDP, and most of that flows through-

Bryan:

Like 6, 6.5.

Bill:

6.5? Okay. 6.5% ... Most of that flows through the tax coughers.

Bryan:

Of course.

Bill:

You're saying if you took half of that, say, instead of putting it in education, we put it toward something else, that might have a better social benefit payoff than what we're getting right now.

Bryan:

I think that's extremely likely. In fact, you have to really think about ways to spend the money less effectively. So, if you just put it into making more bombers or something, then fine. Education is better, but if you're talking about-

Bill:

You really have to think about was to make it less effective.

Bryan:

Yes, that's right. There's just so many better ways to spending money, and of course there's always the default of deficit reduction or tax cuts, so that we actually just have people spending their own money and investors making up their own minds about what's a good idea. So, that would be my first choice, is deficit reduction or tax cuts.

Bryan:

Like I said, there's plenty of other better ways for government to spend the money, or famine relief. Vaccines, medical research. Especially, I'm a big of [inaudible 00:38:21]. Don't give someone money for what they promised they're going to. Give them money for what they successfully do.

Bryan:

Like, building roads or bridges. At least, the roads and bridges, people want to use those. Whereas school, the kids will not even be there if you give them half a chance to ditch.

Bill:

So, the policy is we ought to be stepping back to think, "Well, wait a second. We're allocating this much. Let's really think big and figure out what is better for all of us." I just can't commend more people to read this book, 'The Case Against Education.' It has more wisdom in each page than you can find in most places.

Bryan:

Thank you. I really appreciate that. The book is now only \$18.60 on Amazon, so buy it now!

Bill:

Well, I paid more than that in the local book store. I hope you got the full commission on that.

Bryan:

Oh, yeah. Either way, I think it doesn't matter where you buy it.

Bill:

Okay, Bryan. Thanks for joining. Brilliant, original. I can't wait for our next conversation, and keep thinking great thoughts.

Bryan:

All right. Thanks a lot. I really appreciate it. Have a great day.

Bill:

All right. Take care.

Bryan:

Okay, bye.

Bill:

Bye.

Speaker 4:

All right. We're clear.

Bill:

We're clear. That was great.

Bryan:

Thanks a lot. I've got to rush out, but great meeting you.

Bill:

Yeah, great meeting you. I hope I'll see you in person. I want to get more people. I'm giving some money to your school.

Bryan:

Oh, very nice. Well, thank you. Do you give it to George Mason generally, or do you give it to the economics department?

Bill:

I gave it Mercada's.

Bryan:

Oh, Mercada's. Okay, yeah.