



College Degrees: Does Everybody Need One?

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President Obama has called for free community college, but are college degrees really all they're cracked up to be? Neal McCluskey is the Associate Director of the Cato Institute's Center for Educational Freedom. Writing at Forbes.com, he says that the importance of college has been overblown and college degrees have lost their value.

According to McCluskey:

- Forty-four percent of 2012 college graduates took jobs that did not require those degrees.
- One-third of bachelor degree-holders are underemployed (meaning that their jobs are not commensurate with their skills or qualifications).

If degree-holders are ending up in jobs that don't require college credentials, perhaps people should rethink the need for what has become a very expensive college education. McCluskey cites data from the Bureau of Labor Statistics: Of the top 30 jobs that are expected to have the highest levels of job growth by 2022, only five require a bachelor's degree and only 10 require some type of postsecondary education.

NCPA Senior Fellow Pam Villarreal echoed these same concerns in an [NCPA report on the value of college](#). She noted that the typical college graduate has a student loan balance of \$25,000, yet half of all graduates under the age of 25 are underemployed or unemployed altogether.

Why are education credentials and employment needs so mismatched? Villarreal points to the federal student loan program, which offers students loans at below-market rates and has displaced the private loan market. The loan program, in addition to federal tax credits and deductions, encourages students to attend expensive four-year institutions. Federal aid is often less available at vocational schools, so students who may be better off attending technical schools nonetheless attend four-year colleges, resulting in a mismatch of worker supply and employer demand.