

Prof. Bryan Caplan
bcaplan@gmu.edu
<http://www.bcaplan.com>
Econ 496/895

Week 13: 1>0: We Need More Vocational Education

- I. The Vocational Alternative
 - A. You could interpret human capital purism as normative rather than descriptive: If education doesn't teach a lot of useful skills, let's reform it so it does.
 - B. Perhaps we can dramatically improve the teaching of reading, writing, and math.
 - 1. Note: We should measure what matters. Focus on uncoached adults, not students at the end of the academic year.
 - C. But I'm skeptical. The goal has long been popular, the research is ample, but basic skills remain mediocre. So either:
 - 1. Pinpointing ways to improve basic skills is elusive.
 - 2. Schools spurn the methods that work.
 - D. A less conventional approach: vocational education, also known as "career and technical education."
 - 1. Classroom training
 - 2. Apprenticeships
 - 3. On-the-job training
 - 4. Work experience
 - E. Social Desirability Bias weighs against vocationalism, especially for K-12.
 - 1. "Academics prepare students for whatever they choose to do with their lives."
 - 2. "The world is full of late bloomers."
 - 3. "Every child can grow up to be president."
 - F. Harsh reality, in contrast, says:
 - 1. Lots of kids find academics hard and dull.
 - 2. College is unrealistic for such kids.
 - 3. So they're better off training to be plumbers, electricians, or mechanics.
- II. Why Vocational Education Rules
 - A. "Underachievers" are more likely to pursue vocational education, so any evaluation of its effects must take this into account. How do vocational students compare to comparable students who *didn't* study a trade?
 - B. Main results are somewhat sparse, but almost uniformly favorable. Adjusting for student ability, vocational education...
 - 1. Raises pay by 5-20% for at least a decade after graduation.
 - 2. Reduces unemployment.
 - 3. Increases high school completion.
 - 4. Reduces crime.
 - C. These results imply higher selfish returns. Caveats:

1. There's a selfishly optimal mix. Students would do better with more vocationalism, but not *all* vocationalism.
2. Possible negative effects on employment in late middle age?
- D. Where vocationalism really shines, however, is on social returns. Status is zero-sum; skill is not.
- E. Key question: How often do students use the skills they learn? Vocationalism stands out because it prepares students for common jobs.
- F. Vocationalism plainly sends a worse signal than conventional academics.
 1. Some claim it actually sends a negative signal. If so, it's social return exceeds its selfish return.
 2. More plausibly, vocationalism simply sends a *less favorable* signal than conventional academics. Since its selfish return is at least average, its social return is even higher. If vocationalism's signaling share is only 40%, its social return is four percentage-points higher than normal.

III. What's Wrong With Child Labor?

- A. "Child labor" – kids learning job skills on the job – has an awful connotation. Our laws reflect this judgment.
 1. Federal law effectively prohibits work for kids under 14, except in family businesses, farming, newspaper delivery, and performing arts.
 2. Kids 14-15 can work three hours a day on weekdays, and eighteen hours a week on school weeks.
 3. Many states have stricter regulations, including requiring school permission.
- B. There's a big double standard.
 1. It's OK for kids to be bored and uncomfortable at school, but not at work.
 2. It's OK for kids to devote every spare minute to sports, music, drama, or chess, but not work.
 3. Employers "exploit" kids if they pay them a low wage, but schools don't "exploit" students by paying them a *negative wage* (i.e., charging tuition).
 4. We trust parents to safeguard their kids' interests *unless* their kids work for a non-relative.
- C. What about the negative effect of work on academic performance? Adjusting for student quality, there's no downside in the data. The postgraduation earnings gain is robust; harmful effects on grades and crime is not.
 1. Caveat: Researchers rarely study "intense" work of 30-40 hours per school week.
- D. For social returns, any downsides are trivial compared to the upside of a relatively low signaling share.
- E. The most reasonable worry, especially given the minimum wage, is that employers won't want to hire inexperienced students in the first place.
 1. Catch-22: You need skills to be worth training.

2. Unpaid internships are only a small loophole.
- IV. Misvocational Education
- A. Is vocational education short-sighted? No, because the academic track doesn't actually focus on "general skills." Instead, it provides vocational training for ultra-rare vocations.
 - B. The real debate is between two kinds of vocational education.
 1. Training for long-shot, prestigious careers.
 2. Training for likely careers.
 - C. Ignorance of the future is no reason to train students for jobs they almost certainly *won't* have.
 - D. The egalitarian objection to vocationalism is based on wishful thinking.
 1. Academics aren't a free lunch, because students who fail academically often fail to "downshift" to a trade afterwards.
 2. Better to train students for one job than zero jobs. 1>0.
 - E. Which is truly dystopian? Vocationalism – or the status quo?