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DEGREES OF EDUCATION

# Obama's College Proposal Is Also a Bid to Rev the Economy

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**Justin Wolfers**

Economic history provides the broader context for understanding President Obama's proposal to make community college available free.

Over the 20th century, rising levels of education have yielded an ever more skilled work force, which has been a crucial driver of economic growth in the United States. For much of that period, each generation got about two more years of education than their parents. Accumulated over several generations, this led the average number of years the average American invested in education to roughly double.

Much of the rise in education reflects the "high school" movement in the early 20th century. This was a grass-roots movement demanding that free public education expand from elementary to secondary schools. It resulted in a

sharp rise in high school graduation rates, and for many decades, the United States led the world in secondary schooling.

But high school graduation is now common, and the push for more education ran out of steam. The result is that educational attainment has almost completely stalled over the past three decades. This stall is particularly notable for men; the current crop of 30-year-old men are, on average, only slightly more educated than their parents. Because the new workers entering the work force today are no more educated than the retirees they're replacing, economic growth is likely to slow.

The macroeconomic consequences are profound. Economists believe that there are really only three ways to raise living standards over the long run: to invest more in education, to invest more in machines or to innovate so that the same people and machines can more effectively be combined to produce more output.

Mr. Obama's proposal is an effort to revive education as one of the drivers of economic growth. If he succeeds in persuading more of the next generation to continue beyond high school, and to invest in community college and possibly beyond, there's a strong chance the rate of economic growth will be bolstered for decades to come. And relative to other ways of strengthening growth, investment in community college is most likely to ensure that the middle class shares in the benefits of it.

It remains to be seen whether Mr. Obama's proposal will come to fruition, and whether community colleges can do their part. But in the long run of history, something like Mr. Obama's proposal — let's call it the "college movement" — is the obvious next step beyond the high school movement. It reverses 30 years of relative neglect, and it continues a long and successful American tradition of investing in education as a driver of both opportunity and higher incomes.

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