

## 4 Graphs: Why Paul Krugman is Dead Wrong about Education

Rep. Kevin Brady  
July 9, 2015

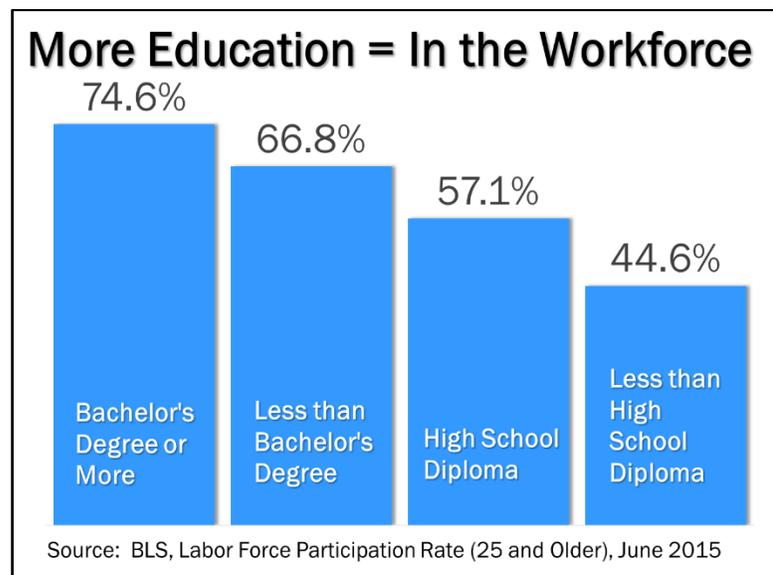
How wrong can New York Times columnist Paul Krugman be?

In June of 2013 he summarily declared that “Education, then, is no longer the answer to rising inequality, if it ever was (which I doubt).”

Set aside that Krugman has recently devolved into a frequently petty, acerbic defender of tired, top-down liberal doctrines. It’s his increasingly bizarre economic statements that deserve scrutiny. For example: Dr. Krugman’s obsession with income equality totally misses the point. (It is economic mobility that matters. It’s not where you are today that counts, but where you have the opportunity to go. That doesn’t start with government largesse, but with a job.)

Focusing on education, it only takes a cursory look at data from the Bureau of Labor Statistics (BLS) and the Census Bureau to understand just how wrong Dr. Krugman is with his curious “education is dead” doctrine.

**Labor Force Participation.** By definition, one has to either have a job or be looking for one to even be in the game. The higher an individual’s educational attainment, the more likely the individual is participating in the labor force.



Three quarters of those age 25 and older with a bachelor's degree or higher participate in the labor force, while less than half of those with less than a high school education participate. As the graph illustrates, the higher the educational attainment, the greater the likelihood the person is in the workforce or actively looking for a job.

### **Employment-to-Population**

**Ratio.** Although this dynamic escapes Krugman, it makes sense to most Americans that higher participation in the workforce leads to higher employment rates. That is, getting and keeping a job.

The employment-to-population ratio referenced here measures the percentage of Americans 25 years and older that are employed. Like the measurement of those in the workforce, education matters.

Nearly three quarters of potential workers age 25 and older with a bachelor's degree or higher are employed. Less than half with a high school diploma or less education can say the same.

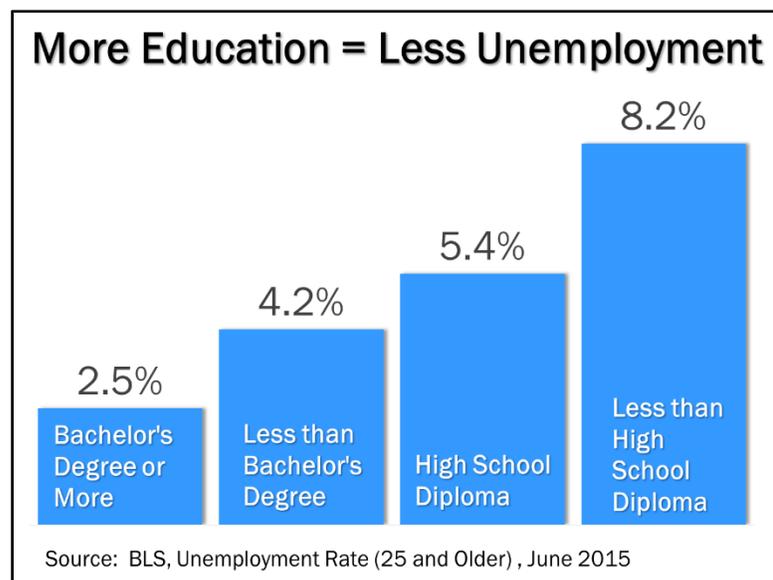
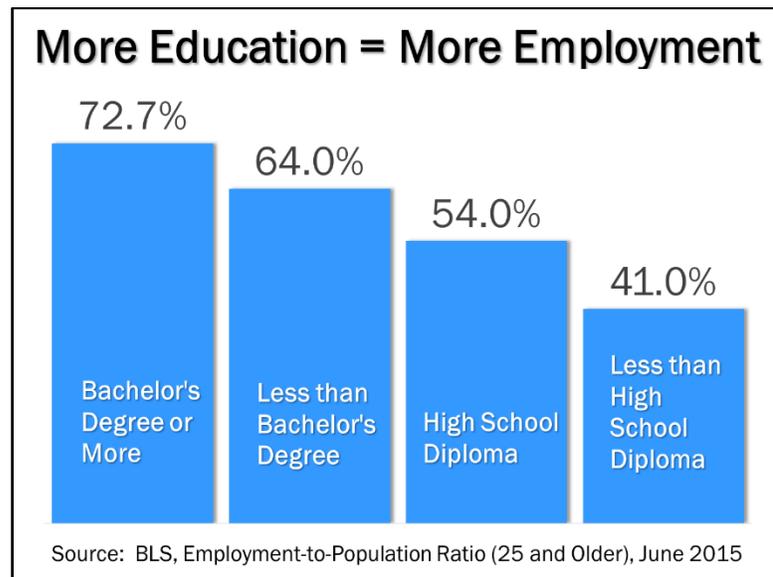
It is an undeniable fact: the more education, the more likely you are to have a job.

### **Unemployment Rate.**

Unemployment rate data based upon education clearly show that the better your education, the less likely you are to find yourself in the unemployment line.

The "official" unemployment rate stands at 5.3 percent. That represents the percentage of adult Americans that are participating in the labor force that can't find a job. It's also close the unemployment rate for Americans with a high school diploma.

Not surprisingly, those age 25 and older with a bachelor's degree or higher have an unemployment rate of 2.5 percent – less than half that of those with a high school education and less than one-third that of those with less than a high school education (their jobless rate is 8.2%. Even worse, since less than half have or are even looking for a job).



**Income.** Like the Democratic Party leaders, Dr. Krugman obsesses on income inequality. So what is a key factor in determining income? Education.

The final graph looks at median household income from 2013 for those over 25 years old based upon educational attainment. The paychecks for those with a bachelor's degree or higher are more than double that of those with a high school diploma.

**Krugman is wrong.** More education leads to more jobs, less unemployment and higher incomes for Americans. To suggest otherwise is simply to deny reality.

Better yet, education is a key factor in economic mobility - which is the critical issue. Most Americans want to climb the economic ladder, regardless of where they begin. For Americans, getting an education and developing a skill are key to improving their economic status. That's undeniable.

It will be curious to see if Democratic presidential candidates and congressional leaders parrot Krugman's "education is dead" doctrine...or firmly reject it.

