

Lessons Earned Podcast

Season 2, Episode 1: Tony Carnevale, Director, Georgetown University Center on Education and the Workforce

TRANSCRIPT

Strada Education Network Host Ben Wildavsky:

From Strada Education Network, this is *Lessons Earned*. I'm Ben Wildavsky. In this podcast we sit down with education leaders, policy thinkers, and workforce experts who are trying to improve education and career outcomes for students of all ages. We're recording this season remotely during the COVID-19 pandemic. And we want to know how this extraordinary moment is affecting students and educators and how it will shape our workforce in the years to come.

[Audio clip: Tony Carnevale](#)

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Ben:

Welcome to *Lessons Earned: Putting education to work*.

Welcome to our second season of *Lessons Earned*. I hope everyone's holding up OK at home or wherever you are in this season. We want to help you make sense of COVID-19 and its impact on education and the workforce. All of our interviews are going to touch on the pandemic in some way, and we've got a great guest to kick things off and to lay some groundwork for us.

Tony Carnevale is an economist and the director of the Georgetown University Center on Education and the Workforce. He's a guy who served on multiple presidential commissions. He's worked on Capitol Hill; he's worked for the Educational Testing Service. He's got decades of experience in education and workforce policy. And over the course of his career, Tony has experienced and analyzed several economic crises.

We're going to talk about how the current moment is similar to those and how in many ways it's fundamentally different. Tony also has a lot of valuable advice, both for workers and for students, on how to navigate a recession, and we'll pick his brain on that as well. Today, I'm joined by my colleague, Andrew Hanson, who actually used to work for Tony. Hi, Andrew, thanks for joining me.

Co-Host Andrew Hanson:

Hi, Ben. Thanks for having me back. I have to say, I'm especially excited about this one. I had the privilege of working with Tony for six and a half years at Georgetown. And, you know, not only was he a terrific mentor and one of my favorite public intellectuals, but he's also just a really great guy. So with that, let's bring on Tony.

Ben:

Tony, Hi. How are you? This is Ben Wildavsky.

Tony Carnevale:

Hi. How are you doing? Where are you?

Ben:

I'm great. Well, my colleagues have seen a photo. I'm inside my grown-up son's bedroom closet, which I've converted into a little home studio. So I've got some old quilts on the walls and I'm trying to absorb the sound and hoping the guys doing some construction across the street don't kick up too loudly during the interview. So we're all improvising here.

Well, we're very glad to have you on the show. And the first question really is just, how are you holding up in all of this? How's life at home and how is it affecting your work?

Tony:

It is not something that's at all uncomfortable for me. I'm fairly solitary, and the usual problem is finding solitary time and quiet time to get work done. This -- however unfortunate all this is, and it is, of course -- it is a boon to someone like me.

Andrew:

Yeah, I think that's something a lot of us who work in this sort of research policy world can relate to. So let's dive in here, Tony. Economically, things are looking pretty dire. We're seeing skyrocketing unemployment, millions of jobs lost. And at this point, a recession seems pretty much unavoidable. So who's most at risk here? Are there certain populations that are more vulnerable than others?

Tony:

Well, there is the usual effect of recession, which is that the last hired, first fired, and that tends to be people with less education. First to go are always the people with high school or less and then some college and then the graduate degrees and the recovery happens in reverse. That is, the graduate degrees recover first, the BAs second, some college, third, and then high school or less, fourth. But all of this also depends a great deal on your field of study.

Andrew:

And are you at all worried that this crisis will deepen the socioeconomic divides in America?

Tony:

Yes, I think the evidence is relatively plain that it will. And the other piece of it is that the economy has been undergoing structural change because of a new technology, information-based technology, essentially, for a very long time since the '80s. And what we're finding in the last three recessions is that that structural change now accelerates in recession. It used to be, back in the old days, that when you lost your job, you ended up going home. Essentially, if you think of manufacturing terms, you cut off the third shift. But then several months later, the foreman calls and the shift goes back on and you go back to the same workplace, the same machines, the same colleagues. It doesn't work that way anymore. That is, people are much

more likely, when they lose their jobs, not to go back to the same employer and a smaller group are unlikely to go back to the same industry, and that's when the pain really starts. Because the value you've gained and experience with an employer and then with an industry are valuable, and when you lose them, you lose earnings power -- the most damning thing that can happen to you -- as you lose your occupation. When you lose your occupation, you're essentially starting over again.

Ben:

So, Tony, you've said that since the 1980s, a technology revolution has led to structural changes in the economy, and that in previous recessions, those structural changes have accelerated. Do you think the same thing's going to happen with this new recession?

Tony:

No, this is different in the sense that there is no structural weakness in the economy that is causing this recession, which makes this very different. That is, it's not a structural shift. It's not a collapse of the banking industry or a collapse of the high tech industry or anything like that. Essentially, we have, on purpose, put the economy into a coma. That is, we've put it to sleep.

The optimistic presumption this time will be that the underlying structure of the economy is still healthy and it will come back. There's a pretty good debate on as to whether or not it will come back in the same kind of shape and how long that will take. If you look at the macroeconomic modelers, the people who make their living by predicting what the economy will do, initially, their argument was this was going to be a recession like 2001, fairly short, shallow, and enter recovery. There's a new debate, literally in the last few days, that the recovery will be slower than that. We really don't know yet.

We do know that this will cause lots of damage in retail and the face-to-face industries that tend to employ workers who have high school or just some college. And we also know that in many cases, what will happen here is that there will be what people call "scarring effects," which is that the recovery will come slowly. And as a result of that, current college graduation classes or people who are just entering the labor market will be harmed over the long term because simply put, your first job determines the quality of your second job, determines the quality of your third job, and so on. So if you enter the economy when it's not performing well, there really are long-term effects.

Ben:

Got it. If it's something more than just a coma, you know, an enforced pause, and employers are really looking for something different, what's the best advice you would give to workers who are finding themselves out of a job right now?

Tony:

The usual advice, which doesn't apply so much at the moment for practical reasons, is when the economy's down, go to school. Any additional schooling in a period of high unemployment will improve your chances when the economy recovers. But, of course, in this moment, the problem

is the schools aren't open to a certain extent, or they're relying on distance learning, which is still fairly primitive in American postsecondary institutions.

The basic business model, which is very tough to change, because everybody's invested in it, the workers, the owners, the college presidents, and so on, they're all invested in a learning model that sort of still pretty much dates back to 400 years before Christ. It's the Socrates education model. So one of the things that will happen in this particular downturn is we're doing a huge natural experiment with distance learning. And people have already pretty much concluded, I think, and I see this on the Hill, that we need to learn to do distance learning. That's both occurring in K-12 education and the demand for higher education has grown astronomically as well.

Andrew:

So, Tony, on this point, since you, you know, brought up higher education, for the past decade, we've seen many colleges and universities have experienced declining enrollment, dwindling revenues. The market's been tough. Given that, what are the implications of this crisis for the business. and the coming recession, for the business of higher ed? Do you think that we'll see more school closures?

Tony:

The prediction is that there's going to be a lot more school closures. There'll be plenty of business to do for Harvard, Yale, Princeton, and the elite schools. All of this will hit in the massive schools that are, in a sense, in the middle of the selectivity category, notwithstanding some sort of policy intervention. What confuses this, and I would say happily, is that there may well be a policy in intervention. It's pretty clear that putting a degree in every lunchbox is something that the government is willing to do at the moment. We now know that it's good politics to be in favor of higher education aid, and to try and reduce prices now.

Andrew:

And, Tony, I'm curious, you wrote an op-ed in *Inside Higher Ed*, a couple of months ago, that despite the hype, college is still worth it. Is that more or less true in a recession? And how does it change, if at all?

Tony:

It changes dramatically in this particular recession, because we're essentially shutting down the economy and there is a real risk that we're going to get a lost generation here. That is, we've already had pretty strong evidence that the last three or four graduating classes are having more difficulty getting career jobs, and that they're having more trouble accumulating wealth. So that will be sustained. On the other hand, the bottom line in this game always is that whether or not the value of college rises, it stays consistently well above the value of high school, let's say, the standard metric in all this, is the college wage premium. But what is clearly going on and it's getting stronger, is more and more, it depends on the program you take and less and less on your degree level.

Andrew:

So you've mentioned that some programs are a better bet than others. And you know, that's true whether we're in a recession or outside of a recession. But at Georgetown, you've also done some helpful thinking around how to think about the value of college more broadly, and then how to unpack the value underneath college. So can you share some of the thinking with us?

Tony:

It is in the nature of markets to find value and then to unbundle it. That is, to break it down into its component elements and then to try to sell the high-value components. So, thinking in terms of college, the value of a bachelor's degree in and of itself is relatively high compared to other degree levels, but within the bachelor's degree, there are lots of differences in program value. So one of the things that's going on here is that we're moving to the program level. We're unbundling higher education, so it's less and less about the institution and more and more about the program, and that unbundling to the program level will create market competition at the program level. More and more public aid for college is focusing more strongly on short programs and specific programs.

Ben:

Well, Tony, I'm curious to know, on your point about, you know, what should you take as a learner, as a student? How do you think that changes? I know it's early and it may be hard to say, but in this kind of a uncertain economic environment, what's the job market, if you're trying to be ready for that, and to have that optimal mix of the general skills that are so valued, but also some of the skills that are going to get you a job sooner? What advice would you give people?

Tony:

I think in the end, it comes down to people's individual circumstances and their individual interests and values. It is true that you can get very specific education that is short-term, and that it can be very highly paid. Getting a certificate in heating ventilation and air conditioning will do you quite well, and do you better than many BAs. On the other hand, over the longer term, some of the BAs will outperform the certificate. It becomes a question of your needs at the moment and people with the most need -- that is, kids who don't have the luxury of going to Georgetown and majoring in Japanese horror films and then getting your specific education when you go to graduate school. Well, that's for the rich kids. A lot of young people don't have that option. They need to get something of value very quickly. And then they need to continue their education. I would argue they can either get that on the job, and most people do. If you write an equation for earnings, one of the first variables you put in it to predict earnings is your education, your field of study, but then the variables that start having real power are what you learn on the job, your opportunity to learn on the job formally; informally. And the power of the technology that you work with. That is sort of the modern wage equation. And so it is a not-uncomplicated formula for success. And remember, you may go to college for one year, two year, three year, four year, five, but you're going to work for 40, 45, or 50 years. So it's naturally the case that the most powerful teacher is the job itself.

Ben

Sure. I want to just think for a second about somebody who's already made their educational decisions, at least in the near term. And they're graduating, they're graduating this year. Do you have any advice for the class of 2020?

Tony:

My advice would be -- and it's imperfect, because we're in a situation where there is simply some tragedy here -- but the folks that are coming out now, the advice that still stands is trying to improve your human capital still more. For a lot of people, that's another option because the money gets in the way. And the other piece of this is, the institutions themselves are not operating in full force. That is, the colleges aren't there for you to the extent that they used to be, but that would be the standard advice.

The other advice I would give is, to think more long-term about your career plan -- on it taking you beyond the age 30. I mean, that is pretty much where we're headed with that, where young people get three to five jobs before they arrive at a career trajectory, at least in terms of their earnings and their job tenure. And the other advice I give to young people, especially now, and I think has been true for a long time, is, don't be loyal to your employer; be loyal to your skill.

Ben:

Yeah. That's really a change, I think, we've seen in the last few decades.

Tony:

Yeah, the thing is, and there's all sorts of cultural negativity about that, everybody's down on the millennials. The truth is, the millennials are the first generation that have had to face the fact that in the end, they're going to go through lots of churn before they arrive on a career path. And in the end, what they've learned, because of the decline in job tenure, and fast pace of change in skills, they have to look out for themselves.

Andrew:

Yep. So Tony, you've had a lot of experience shaping federal education and training policy over the years. Do you foresee that policy landscape changing at all as a result of this pandemic?

Tony:

I do. I think in the end, the pandemic will do some relatively small things, like I think it will end up encouraging the government to invest in learning technology, which is something that we needed long before this, but that was not much in the interest of the colleges to do so. But now, it's apparently in the interest of the nation, both in K-12 and in higher ed. So I'm hoping we'll see a shift there.

There is a larger, more general problem, which is that more and more, your education determines your lifetime prospects in the American economy. And that is more true in America than it is elsewhere, because in Europe, you have much larger welfare states that take care of

you. But in the United States, you rely on your job to take care of yourself and your family. I think, in general, what will happen, and it is, I think, a positive thing, is that investment in human capital of all kinds, that is, from healthcare to education. And you hear this even from conservatives -- traditional conservatives -- more and more, that there needs to be a new balance between capitalism as we know it and the role of government because of the uncertainty and risk that is now involved in any person's career, which is to say, the opportunities, arguably, are getting better, but the risk is growing even faster.

Andrew:

So Tony, we're almost out of time here. And so I'd just like to ask you more of a, I guess, a personal question. With respect to your career, you've had a fascinating bio. What, in your mind, has been the through line in your career, if there is one?

Tony:

Truth be told, I haven't a clue. I mean, I'm a guy who couldn't keep a job, is the other way to look at it. I've had about 20 of them. And there's some truth to that. So in the end, I suppose, if there's a consistent thread, it's been: One, I was raised in a generation that thought of public service as the highest calling. And in my own way, that's what I've done. And in the end, both because of circumstances, in my own basic values, there are two things that I value and one is work. Work has always been kind to me. I've loved it and it's loved me back. And the other is learning. That is something else: I've loved it and it's loved me back, almost unconditionally. So there is that consistent theme throughout.

Ben:

Well, you've certainly done a service to us and our listeners. It's been great to hear from you. Obviously, this is a very tough time and I think people are just looking for, for some wisdom. So Tony, thank you so much for joining us. We really appreciate your time.

Tony:

Thank you. Good to talk to you. great talking to you.

Ben:

That was our conversation with Tony Carnevale. Thanks to Andrew Hanson for joining me today, and thanks for listening to *Lessons Earned*.

(Narrator):

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