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## **The Biggest Issue**

**By [DAVID BROOKS](#)**

Why did the United States become the leading economic power of the 20th century? The best short answer is that a ferocious belief that people have the power to transform their own lives gave Americans an unparalleled commitment to education, hard work and economic freedom.

Between 1870 and 1950, the average American's level of education rose by 0.8 years per decade. In 1890, the average adult had completed about 8 years of schooling. By 1900, the average American had 8.8 years. By 1910, it was 9.6 years, and by 1960, it was nearly 14 years.

As Claudia Goldin and Lawrence Katz describe in their book, "The Race Between Education and Technology," America's educational progress was amazingly steady over those decades, and the U.S. opened up a gigantic global lead. Educational levels were rising across the industrialized world, but the U.S. had at least a 35-year advantage on most of Europe. In 1950, no European country enrolled 30 percent of its older teens in full-time secondary school. In the U.S., 70 percent of older teens were in school.

America's edge boosted productivity and growth. But the happy era ended around 1970 when America's educational progress slowed to a crawl. Between 1975 and 1990, educational attainments stagnated completely. Since then, progress has been modest. America's lead over its economic rivals has been entirely forfeited, with many nations surging ahead in school attainment.

This threatens the country's long-term prospects. It also widens the gap between rich and poor. Goldin and Katz describe a race between technology and education. The pace of technological change has been surprisingly steady. In periods when educational progress outpaces this change, inequality narrows. The market is flooded with skilled workers, so their wages rise modestly. In periods, like the current one, when educational progress lags behind technological change, inequality widens. The relatively few skilled workers command higher prices, while the many unskilled ones have little bargaining power.

The meticulous research of Goldin and Katz is complemented by a report from James Heckman of the University of Chicago. Using his own research, Heckman also concludes that high school graduation rates peaked in the U.S. in the late 1960s, at about 80 percent. Since then they have declined.

In "Schools, Skills and Synapses," Heckman probes the sources of that decline. It's not falling school quality, he argues. Nor is it primarily a shortage of funding or rising college tuition costs. Instead, Heckman directs attention at family environments, which have deteriorated over the past 40 years.

Heckman points out that big gaps in educational attainment are present at age 5. Some children are bathed in an atmosphere that promotes human capital development and, increasingly, more are not. By 5, it is possible to predict, with depressing accuracy, who will complete high school and college and who won't.

I.Q. matters, but Heckman points to equally important traits that start and then build from those early years: motivation levels, emotional stability, self-control and sociability. He uses common sense to intuit what these traits are, but on this subject economists have a lot to learn from developmental psychologists.

I point to these two research projects because the skills slowdown is the biggest issue facing the country. Rising gas prices are bound to dominate the election because voters are slapped in the face with them every time they visit the pump. But this slow-moving problem, more than any other, will shape the destiny of the nation.

Second, there is a big debate under way over the sources of middle-class economic anxiety. Some populists emphasize the destructive forces of globalization, outsourcing and predatory capitalism. These people say we need radical labor market reforms to give the working class a chance. But the populists are going to have to grapple with the Goldin, Katz and Heckman research, which powerfully buttresses the arguments of those who emphasize human capital policies. It's not globalization or immigration or computers per se that widen inequality. It's the skills gap. Boosting educational attainment at the bottom is more promising than trying to reorganize the global economy.

Third, it's worth noting that both sides of this debate exist within the Democratic Party. The G.O.P. is largely irrelevant. If you look at Barack Obama's education proposals — especially his emphasis on early childhood — you see that they flow naturally and persuasively from this research. (It probably helps that Obama and Heckman are nearly neighbors in Chicago). McCain's policies seem largely oblivious to these findings. There's some vague talk about school choice, but Republicans are inept when talking about human capital policies.

America rose because it got more out of its own people than other nations. That stopped in 1970. Now, other issues grab headlines and campaign attention. But this tectonic plate is still relentlessly and menacingly shifting beneath our feet.

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