



Interview with Anthony P. Carnevale, Winner of the Morris T. Keeton Award

You were appointed by President George Bush to serve on the White House Commission on Technology and Adult Education. Technology in education has become even more important now. What insights can you share on this topic?

The general call, in that particular case, came from the Department of Defense (DOD) I had been involved for a number of years with the DOD in their efforts to build technology-based learning systems, something which they have always been at the forefront in developing. The DOD had a substantial research fund which Congress allowed them to allocate for “dual use purposes”: civilian as well as military objectives. The military thought it had a real contribution to make—which it did, and still does—in the development of computer-based curriculum, assessment, etc. What really convened the Commission on Technology and Adult Education was this idea that the military could make these kinds of contributions, in addition to Congressional and Administration interest in furthering the transfer of that technology from the military side. It’s a mission that should be revived.

You were also appointed by President Bill Clinton to chair the National Commission on Employment Policy. What was the role of that institution?

The National Commission for Employment Policy was a relatively old institution. Established in 1978, its responsibility was to try to figure out what to do with employment policy; and it focused very much on the connection between employment, policy, and jobs. It was meant to be an institution that provided a cross-walk between the education and the labor departments. The institution had a lot of leverage. Basically, if you wanted to pass a bill on employment training or education, and the Commission said it was a bad idea, you were dead.

You were also part of the Committee for Economic Development. What insights would you share in terms of adult learning and how it links to employment and economic development?

At the Committee for Economic Development, the membership was CEO based—and the CEOs actually did the work. These people had a very different view of education and training. They were much more work-focused and much more interested in the overall quality of the workforce. They placed a higher value on the training systems than I think the general public does. That was really their contribution. They were less interested in degrees and more interested in the quality of skill in their workforces. They had a very democratic view of learning and didn’t much care where it happened.

The committee members generally believed that the function of the formal education system was to provide a base on which the workplace would build. They asserted that if you give people basic entry-level competencies, the workplace will then take responsibility for providing the experience, with formal or informal training, and the technology that will allow them to continue their learning. It was an attitude of lifelong learning, of a system that is continuous and complementary. It was the first time I really worked closely with people who began with that assumption. This group did not see a system of separate institutions. They thought it was all linked and integrated. This perspective is rare in policy discussions, and generally not understood. To the extent that employers are much less involved now than they used to be, that perspective is missing.

So you think that has changed?

It has changed a lot, due to globalization. Since the shift to a more global economy, CEOs have felt uncomfortable coming to Washington because their boards don't want them traveling to do anything other than company business. The world has become a great deal more competitive, and CEOs have less and less time to do public service. You find very few CEOs nowadays that know their way around outside their own industry. The competitive pressures and the financial pressures are such that there is no time.

Before this shift, however, there used to be a lot of very savvy CEOs who spent much of their time worrying about public questions. You used to get points for that. It was part of the job description. But that old model, which existed I think through most of the 80s, is basically gone.

With the shift in membership in organized labor toward the education unions, education is rapidly becoming a more powerful interest for the AFL-CIO.

How do you think the goals of the current Administration will link to the adult learner?

This Administration represents a dramatic break with the past. In the 1970s, when we had high inflation and stagnant growth, the response was to use the Department of Labor—to put the Department of Labor at the lead when work and employment and training were in question. High unemployment meant that the Department of Labor got a lot of money. After 1979, when Reagan was elected, they cut back the Labor Department budget considerably. In the meantime, the community colleges and the four year schools, especially the urban universities, began to take on this function. Not because the government gave it to them, but because that is where people went to find answers. By the time anybody tried to do anything about this shift in responsibility, it had become, and continues to be, conventional wisdom that if you have a high unemployment problem the answer is education.

So what has happened is that the solution to employment problems is now education and training. And the education and training mission has moved from the Department of Labor to the Department of Education. This is not just true in Washington. It is also true in the states. If we were funding WIA (the Workforce Investment Act) at the level we were funding CETA (the Comprehensive Employment and Training Act) in 1979, the WIA budget would be 27 billion dollars. Its regular appropriation now is 3 billion. It got 3 billion more under the stimulus package, but that was all for youth funding, not for training adults or training workers. All the money went to the Department of Education, and in particular, to the community colleges.

Now with the proposed AGI (American Graduation Initiative) Obama did something really abrupt from the point of view of the education world. He sent the money directly to the community colleges. That has never been done before. What he is essentially saying is that work-related training, which is the value he sees in community colleges, is where we need to put the money down. It is two years. It is cheaper. It leads to labor market success.

This Administration wants to include non-degree learning. They want to include certificates and industry-based certifications as part of the effort. They are working very hard to find ways to measure those things, to track them, to fund them, and to make sure they are worth the money. This is a shift.

What are the advantages and disadvantages of this shift?

Well, as with most anything, it has an upside and a downside. The upside is that we are finally paying attention to work-related learning. The downside is that we put money into community colleges—where minorities, African Americans, Hispanics, and low-income students are—and we are essentially saying that it's OK with us if they don't get B.A.s. In this way, we are strengthening the bottom end of the system. The issue the Administration is struggling with is how to ensure that people who go to two-year schools and get certificates still have an opportunity to get higher level degrees. I'd say that's a pretty tall order.

We spend about \$6,000-7,000 a year for a community-college student, and we spend \$20,000 a year for a four-year-college student. If you go to one of the elite colleges, we spend \$50,000-60,000 a year. We are spending four to five times as much on four-year students as on two-year students. The question that arises is: why do minority, low-income students and working-class students have less spent on them? If this were K-12 education, for example, and the state of Illinois were spending 4-5 times as much on students outside the city compared to what they are spending inside the city, they would be taken to court. And they would lose.

We went through school finance equalization in the beginning of the 1970s in K-12 education, and now it's firmly established. The judges have all ruled that you cannot spend \$4,000 a year on a poor kid and \$15,000 a year on a rich kid, especially when it's public money. Now we have this issue in higher education. I think it's the issue of the future. Why do we spend 4-5 times as much on the kids who go to the University of Illinois as on the kids who go to a community college? What are we doing that for? It doesn't seem fair, especially, once again, when it's all public money and they are all citizens. In a way, the Obama Administration was trying to address this incongruity by saying, "We are going to take the money, put it in the two-year system, and try to start balancing this discrepancy out."

What other issues effect the funding of higher education?

The thing most people do not understand about postsecondary education is that, in almost all cases, there is no public postsecondary education for which the student pays the complete actual cost of his or her education. The student only pays for part of it. Generally, they pay half the cost. So when you ask, how much could the tuition go up? The answer is: It could double.

If you go to a community college, you spend \$2,000, and the state pays \$6,000, so the cost of the education is actually \$8,000. If you go to a public four-year, the total cost is \$22,000, of which the student pays \$13,000.

No matter what the student pays, we still have an \$88,000 total cost versus an \$8,000 total cost. Who gets the better education? You can say money doesn't matter, but what can you do with \$8,000 that I can't do with \$88,000? That's the crisis in American higher education.

The further problem is that all of the growth in student population for postsecondary education and training has occurred within the two-year institutions and the institutions that provide work-related learning. In addition, public subsidy for those institutions has been declining, so we are spreading less and less money among more and more people. In other words, even though we have a greater number of students entering postsecondary education and training, because the majority of these students are coming in through the community colleges, education has become more stratified. Politicians and other policy makers are proud of themselves for the expansion of this system. And rightfully so. We have quadrupled the number of people who go to postsecondary education and training. On the other hand, we have also quadrupled the inequality of resources within the system. Community college enrollment keeps growing, but the money doesn't.

The legislators are sending less and less money. They used to pay up to 20% of the cost of these institutions. Now, nationally it's 10% or less—and in some places it's almost zero. When it's time to do the budget in the state legislature, there is a long list of things that come before postsecondary education. You have to pay for the prisons, because, if you are going to put people in jail, you have to have guards. You have to pay to pave the roads, because in order to get federal funds to pave the roads you first have to furnish your own funds. If you don't put in a buck, you don't get a buck. Besides, your constituency likes paved roads. And then you've got healthcare—Medicaid. Once again, if you don't spend, you don't get the federal money; and you've got an aging population you need to take care of. In K-12, you've got teachers' unions. The judges have already determined that you have to equalize the spending, and you do that with state money. By the end of it all, there is only one place to cut the budget—higher education.

Additionally, the institutions are held accountable for graduation rates, and the only way to beat the system if you are a two-year school is not to let anybody in who won't graduate. Which is to say, don't let anybody in who wants non-credit education. Do not do any remediation. Keep those people out. And start to act like a four-year college. Generally speaking, you get money in aid depending on how many students you get. You get money based on how many full-time equivalents you've got—public dollars only reimburse for FTEs. So you control the students who come in—the students who can pay the most and won't complain. Those students are the 18 to 22 year olds who go full-time. They don't have families, because you are not prepared to build a day-care center. You don't have classes at night, because your teachers don't want to do that. And there you are, modeling yourself after a four-year school.

The more money we put into the community college system and the greater number of students that go there, the more these schools are forced to uphold the four-year model. They don't have a choice. Because at the end of the day, if you say, "I'm going to let all of the kids in and give them the education they deserve," you're going to be fired. You are going to run a big deficit and your board is going to fire you. There is no choice here. Prospective students are rejected passively.

Then you get legislators who say, "We are not going to do remediation, because that's not college. We won't fund it; or if we do, we won't fund it well." What ends up happening is those students don't make it. They spend a year in remediation, and then they give up. Many hated high school, but they go to college anyway and then find themselves with the same textbooks they used in high school. It's a very depressing moment.

In the end, you get fewer and fewer resources for more and more students. And you start eliminating access to community colleges. And the adults—never mind—because they are a pain in the neck. They are more expensive. They have families. They have scheduling difficulties. They want stuff that isn't standardized.

So how do the institutions deal with the funding problem?

The only way out of it is to raise tuition. So you try to get more and more out-of-state students because they pay full cost. Most states are going to go to 40% out-of-state students. Usually the out-of-state tuition is three times that of the in-state tuition. So for every one of the out-of-state students it's like taking three from in state, which is pretty tempting if you are trying to balance your budget.

Also, Academic AAs are increasing faster than vocational AAs for the first time because it's a lot cheaper to provide the same general history course than it is to provide automotive or electronics. So even though the kids are lined up for automotive or electronics, there won't be a program.

What Obama did was to take the money and shift it to the community colleges. The symbolism of that is very radical in postsecondary education. He is basically saying that we want to expand the system horizontally, not vertically. The politics, which are about financing, are troublesome. About two to three years out, when the stimulus money is gone, the states are then going to have to find a couple hundred billion dollars. And in the final analysis, the financial pressures are really going to decide how this all works out.

It's a mixed bit of news for adult learning. Labor market value matters more and more. Although there is a lot of resistance to do so, the accountability systems are being pushed to use wage data. Every quarter, all employers report the wages of their employees to the state. That data then goes to Washington: we have the wages. In addition to this, what the government is asking the states to do—this is in the stimulus package—is to also put everybody's education transcript in a data file. This information will then be cross-referenced with the wages data. In doing this we can know, for example, if you took an automotive course at Acme Community College, what your earnings were afterwards. And we can find out whether it was worth it. So measuring education in terms of labor market success is on the way. The Administration wants definitions of certificates and industry-based certifications to show their effectiveness in terms of earnings returns. We are going to get a system that ties labor market success to non-degreed learning, very aggressively—which is a good thing.

It probably means that things like certifications, certificates, and vocational preparation will be more prominent because they are cheaper and the earnings returns per dollar spent are relatively high. But that creates a tracking issue: we give all the low-income and minority, disadvantaged kids job training while we give the rich kids education and general skill. And we know, in this economy it's general skill that matters. Of course, both matter, but the general skill is what gives you the big advantage—if you have it in combination with the work-based learning.

The truth is, what ought to happen is the three-year BA. We ought to add a year to the AA and use that time to expand programming and to further general education. We can first expand the reach of the training programs so the students can become technicians of various kinds: combine automotive technician training with two or three other things, so it covers nine occupations instead of one. The students will have flexibility

upon graduation, and they will be very easily re-trainable. Then, within the context of all that, also provide a good general education that will give the students problem solving abilities and interpersonal skills.

Instead of taking the four-year degree down to three, we should have taken the two-year degree up to three. However, they're looking at the cost, and they're saying we can't do four. So they are taking four to three. Now, Harvard will never be three, but any college in America that has the word "State" at the end of it is going to be a three-year college. How are you going to go to law school if you go to a three-year school? How are you going to become a doctor? The truth is it ought to go the other way.

What do you predict regarding the future of adult learning?

I think the fact that this issue has moved from the Labor Department to the Education Department does not bode well for adults. Education Departments always have little hand-drawn pictures on the walls. The Labor Department has pictures of gear wheels and pipelines. They are two different worlds. One of them is about young people. One is about adults.

For now, we're assuming that the community colleges will handle adult education because they already do—two-thirds of the students in these colleges are non-traditional. But we still have not moved an inch on solving the question of how to make your car payment, pay for your mortgage, and feed your family while you go to school. The adults are the most expensive end of the game; and we still have no proposal, nor do I suspect we'll get one, that tries to deal with that issue. It would be too expensive.

There is only one possibility, I think, and that's a trade bill, but it's probably a long time coming. During a recession, the government will do everything it can not to have to deal with a trade bill. Trading more with the Chinese or South America in the middle of a recession is a prescription for losing the next election. If you tried to pass a trade bill right now, if you brought up NAFTA, people would strike it down because it would take away American jobs. If you tried to expand trade with China, I think there would be a very powerful reaction against it. So instead of doing trade bills, the President is doing a lot of traveling. It's what that visit to China was about. You cut a deal without signing anything by changing the currencies. But one of these days he has to pass a trade bill.

There's no way around it, because in the end, we make out quite well in trade nationally. That is, we make money because of trade. In the end, trade is in our interest. If we didn't have trade, we couldn't get Chinese money to pay our debts. If the Chinese can't sell us their stuff, they have no reason to buy our debt—nor would anybody else. It is a global economy, whether we like it or not, and we are living it. There is no choice. You could make the choice to shut down trade, but you would just cut off your nose to spite your face.

George Bush built protections on steel, and he had to take them down because the responses from other nations were so painful economically for us. We were going to lose a lot more jobs from their retaliation than we were going to get jobs from protecting steel. Bush protected steel because he wanted to take a couple of states in the election. But in the end, there were way too many jobs to be lost. It got to the point where the international community really had us in a corner. Bush was going to lose more votes by protecting steel than he was going to gain. The global economy is so interconnected now that there is no choice. You have to have trade bills.

It may be at that moment, during the negotiations of a trade bill, that people in politics will finally understand the importance of building an adult education and training system. At least this is the fantasy on which those of us in education have been counting for the past 30 years. Because that's the point at which a whole set of questions will arise about what's going to happen to Michigan, Ohio, Indiana—the American Midwest, and all the electoral college votes that sit out there. That's the point at which they will have to have real answers: build an adult education plan into a trade bill. Those of us in education have been banking on this fantasy, saying to ourselves, "It will be easy. Laying down 20 billion dollars for adult education on a trade bill is like a tip. It really is just nuisance money."

For as long as I have been involved, the belief has been that a trade bill is how we will eventually get an adult education and training system, wage insurance, and healthcare for all unemployed workers. All of these things have been written into the Trade Adjustment Act. In the stimulus debate, the Senate Finance Committee proposed to take the "Trade" out of "Trade Adjustment" and just call it adjustment assistance for all Americans. Take the benefits that are in the current Trade Adjustment Act, which only go to people designated by the Secretary of Labor and whose jobs have been adversely affected by trade, and say it's for everybody, whether it's trade affected or not. So if you lose a job you have had for more than three years, which is the usual case, we will give you thousands for education and money to support your family. You can do it while you're on unemployment insurance. We'll give economic development to the community you come from. We'll give you healthcare. It's the whole package.

Of course, with the current economy, the latest view is that they'll do a trade bill over everybody's dead body between now and the next two elections: the mid-term and the presidential. We may get the trade bill in Obama's second term, and if that is the case, we will have an opportunity to work towards improving adult education and training because, as I said, when a trade bill starts to be discussed all the anger about job loss surfaces in the public—whether they are directly affected or not. In fact, the last six or seven times this has happened, the Congress and the Administration, whether Republican or Democrat, have been willing to build a big adult education system.

Will the business community respond to this?

In a New York minute. The business community will say, "If they give us trade, give them whatever they want." In today's business, trade is life or death. They will do whatever they have to do to win this one. They are weak now, but as the economy recovers they will regain their strength. They'll bring everything they've got. And the economists will all agree with them.

My hope has always been that there will be enough pressure at some point that we'll have to raise taxes. A special trade tax to help subsidize adult education and training would be a boon. Adult education will only come into its own then.

The expansion of the community college is a good thing; but in the end, this expansion is going to be about the 18 to 24 year olds. The top of the system is not growing in numbers; all the growth is happening to the community colleges. More and more they will be responsible for first time college students in America.

And employers don't want to train. They don't have big training programs for the American worker. They can go to Pakistan and get workers. It's true that there is an increasing amount of learning going on in the

workplace, but they expect people to come ready to go. And ready to go means ready to learn. They want people primed with an education. So the brunt of the burden falls on schools. Employers think, "Instead of putting money in training, put that money in selection. It's cheaper. Get the right person in the first place. Then you don't have to train them. They can train themselves. If you get capable people on the job, they'll learn. If we need to have training programs, we want to make sure all the people in the room are very trainable." And they're right.

Most modern businesses that use highly skilled workers understand this intuitively. If it's something general that the schools can do, pass it back as fast as you can. In this way, schools give you people that are as ready as possible. Then you do the rest. And that's efficient. That's not a bad thing. It's the way it's supposed to work. There aren't many truly academic degrees anymore. All graduate degrees are vocational and professional. But those vocations and professions didn't exist 100 years ago. They got passed back from the economy into the schools. That's the way it works.