



BEYOND COLLEGE FOR ALL

CAREER PATHS FOR THE FORGOTTEN HALF

BY JAMES ROSENBAUM

THE AMERICAN SOCIOLOGICAL ASSOCIATION'S ROSE SERIES IN SOCIOLOGY



**BEYOND COLLEGE FOR ALL
CAREER PATHS FOR THE
FORGOTTEN HALF**

JAMES E. ROSENBAUM

A Volume in the American Sociological Association's
Rose Series in Sociology

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BEYOND COLLEGE FOR ALL

== The Rose Series in Sociology ==

The American Sociological Association's Rose Series in Sociology publishes books that integrate knowledge and address controversies from a sociological perspective. Books in the Rose Series are at the forefront of sociological knowledge. They are lively and often involve timely and fundamental issues on significant social concerns. The series is intended for broad dissemination throughout sociology, across social science and other professional communities, and to policy audiences. The series was established in 1967 by a bequest to ASA from Arnold and Caroline Rose to support innovations in scholarly publishing.

== About the Author ==

James E. Rosenbaum is professor of sociology, education, and social policy at the Institute for Policy Research at Northwestern University.

== Preface ==

We assume that we already know the basic processes by which American society operates. As participants, we have lived through it ourselves, and, as scholars, we have read many studies. Yet, although we do not realize it, we have blinders. Comparative research can help us see beyond our blinders, to see processes that we never imagined.

This project began as a vague set of ideas and questions about whether school-to-work practices in Japan and Germany had any counterparts in the United States, and, if not, then how various actors perceived the process. In this inquiry, prior research on Japan and Germany raised questions about the United States which led us to discover unmet needs, unexplored resources, unconsidered options, and even promising initiatives, which do not work out because the other people do not understand and do not respond. Employers, students, and teachers take actions that all three find unsatisfactory because they do not see alternatives, or they do not realize how to make them work.

Besides bringing some interesting ideas to the project, and convincing three foundations to provide support, my primary accomplishment was to interest some very talented graduate students into the enterprise. This book is very much a joint project. Graduate students have been involved in all phases of this project, and they have made important contributions. Several graduate students joined me in collecting and analyzing data and in joint authoring published papers from this project. These collaborative publications appeared in a diverse array of journals and books, and form the basis of several chapters in this volume. Related earlier publications are listed in the chapter notes at the end of the volume.

As graduate students and collaborators, Amy Binder, Stefanie DeLuca, Stephanie A. Jones, Takehiko Kariya, Melinda Krei, Shazia R. Miller, and Karen Nelson were influential in helping develop the ideas that pervade this book. The task of extending and integrating

these diverse works and providing the missing pieces fell to me as my students went on to other projects. I hope that by updating the papers and integrating them with the other work in the project, this book shows the broader implications of each study and its relationships to the others.

Special mention must be made of one of my former students. In 1984, Takehiko Kariya, a recent college graduate from the University of Tokyo, came to the United States on a Fulbright fellowship to complete graduate studies. He had read my first book and wanted to do similar work. Since that time, we have worked together, continuously, while he finished his Ph.D., and nearly every summer since then. We have both learned a great deal from each other. We have learned about each other's nation, and we have learned to see our own nation's practices in new ways. This book is the result of that seventeen years of collaboration. I hope that it continues for many more.

As former editor of the Rose Series, George Farkas provided enormous support and thoughtful criticism to the development of this book. Additional comments and suggestions were provided by Tom Bailey, John Bishop, Regina Deil, Greg Duncan, Mark Granovetter, Maureen Hallinan, Christopher Jencks, Felice Levine, Aaron Pallas, Anne Pille, Michael Schwartz, David Stern, Burton Weisbrod, and Chris Winship.

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Finally, I am indebted to my wife Ginny and daughter Janet, who discussed these ideas, and provided the support that made this work possible. It is to them that I dedicate this book.

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== Chapter 1 ==

Pathways to Adulthood: Reversing the Downward Spiral of the Youth Labor Market

A CRISIS is emerging in the American labor market. Young people who do not get college degrees have been called the “forgotten half” because society offers them no way to enter adult roles (Howe 1988). They either experience enormous difficulty getting jobs or take dead-end jobs that offer low status, little training, and pay too low to support a family (Osterman 1980; Althauser and Kalleberg 1981; NAS 1984). Among new high school graduates, 26 percent of whites and 56 percent of blacks still had no job four months after graduating from high school (NCES 1993, 82). Moreover, another study found that most graduates who got jobs (58.3 percent) were only continuing the same dead-end jobs that they already held during high school (Nolfi 1978). Obviously, high school graduation does not give these students access to better jobs. Moreover, their difficulties do not end quickly, and their early problems may hurt their career many years later (D’Amico and Maxwell 1990; Lynch 1989). Even at age thirty, a large portion of high school graduates continue to hold low-paying, high-turnover jobs (Osterman 1995).¹

College is often viewed as the solution. Like many political leaders, President Clinton urged all student to attend college, and high school officials in some communities have stressed college preparation, while dismantling vocational programs. This college-for-all approach has clearly had an impressive impact in raising students’ plans. A national survey finds that nearly all seniors (95 percent) plan to attend college (National Educational Longitudinal Survey, NELS 1992). Unfortunately, school officials who embrace college-for-all programs,

rarely examine what happens to these students in subsequent years. Only 28 percent of young adults, age thirty to thirty-four, have a B.A. degree or higher, and another 8 percent have an associate's degree (NCES, 1999, table 8). What happens to students between high school and age thirty? Instead of bragging about students' high expectations, school officials should be considering the long-term effects of the college-for-all approach. We shall follow a cohort of high school seniors for ten years after their graduation to see which ones follow through on their educational plans and whether earnings benefits follow (see chapter 3, this volume).

The youth labor market also poses difficulties for employers. Employers complain that high school graduates have poor basic skills in reading, writing, and mathematics, and that as a result they are incapable of handling good jobs (CED 1985; Marshall and Tucker 1993; NCEE 1983). Many employers are so concerned that they are providing basic skills education programs for their workers (Eurich 1985). These problems will become more serious because demand is projected to increase, particularly in jobs requiring the higher skills that youths lack, but the number of young people is not increasing. As one analyst (Howe 1988, 30) described the double-edged nature of the problem: "Unless workforce basic skills are raised substantially, and quickly, we shall have more joblessness among the least skilled, accompanied by a chronic shortage of workers with advanced skills." Even in today's strong labor market, youths still have difficulty in getting jobs with advancement opportunities, and employers have great difficulty in hiring workers with good skills and work habits. Many business and labor groups foresee "labor market disruptions" for some sectors of the economy. The projected skill shortage suggests that we can no longer afford such serious educational failure, nor can we squander the potential labor force contributions of new high school graduates in long periods of unemployment and aimless job turnover.

Although the strong labor market reduces unemployment, it does not solve employers' skill shortages, and it does not give unskilled youths good jobs that pay enough to support a family. Moreover, a strong labor market will not last forever. Even low unemployment rates do not solve the underlying difficulties of employers and youths.

These problems are not inevitable; indeed, other nations have managed to avoid them. Germany and Japan have had dramatically lower youth unemployment rates than the United States over long periods of time (Hess, Petersen, and Mortimer 1994, 5; Hamilton and Hurrelmann 1994; U.S. Department of Education 1987). In addition, while

American youths were two and a half times more likely to be unemployed than adults in 1965, and four times more likely by 1979, this ratio was much lower and did not increase in Japan and Germany (Coleman 1994, 35). Even in the 1990s, youths' disadvantage in the labor market remained much lower in Japan and Germany than in the United States (Stern and Wagner 1999, 6). Moreover, Japanese and German employers even see advantages to hiring younger workers, who, besides being less expensive, are often more energetic and more easily taught, especially in new technologies. An American researcher noted that German eighteen-year-olds hold responsible jobs that Americans believe eighteen-year-olds cannot do (Hamilton 1990). Young people are seen as desirable and capable workers in Japan and Germany, but not in the United States.

Why do these differences occur? Are American young people inherently defective, or is there something about the way they are brought into work that creates their work-entry difficulties? Youth work-entry difficulties are not an inevitable feature of young people or of labor markets. They vary across different societies, and they seem to be affected by social contexts (Shavit and Muller 1998). As we describe later, Japan and Germany have clear systems for helping high school students enter work, and the resulting contacts have dramatic benefits for employers, students, and schools. These Japanese and German systems may explain their lower youth unemployment rates, youths' better preparation for employment, and employers' confidence in the value of youth.

In contrast, the U.S. labor market is highly decentralized and lacks a clear system. Every year schools turn out students, and employers hire some of these students, yet we know very little about the relationships that form between these institutions—how these institutions communicate information, how they respond to each other, and whether they use information from each other. We suspect that the relationships between employers and high schools vary a great deal, and that this variation in contacts may affect work-entry processes and outcomes (Granovetter 1974/1995).

This book explores the ways in which American students, employers, and teachers perceive each other, what information they receive about each other, and what actions they take to affect the youth work-entry process. Analyses of the youth labor market usually focus on either employers or youths, but we examine both, as well as high school influences. Moreover, while most analyses blame students for poor skills or blame employers for restricted job opportunities, this book considers whether the relationships between these parties contribute to the problems. We examine whether youths' work-entry

problems arise because of poor interaction, poor information flow, or poor incentives for employers, students, and teachers.

Like neoclassical economic theory, I focus on employers' and students' incentives. That theory assumes that students and employers see incentives to respond to each other's needs, but I consider whether they actually do. Employers or students may not perceive incentives correctly, they may send inadequate information about their needs (or qualifications), or they may not use all of the information they receive. Unfortunately, research has rarely tested these assumptions. Instead of making assumptions about perceptions, we examine the incentives that students and employers actually perceive and the factors that affect their perceptions and actions. If employers and students do not perceive their presumed incentives, that could explain youths' work-entry problems.

The studies in this book arise from a new model, the linkage model. This model resembles mainstream labor market theories in some ways. Like signaling and network models, the linkage model focuses on information problems and on the ways in which social contacts convey information (Granovetter 1974/1995). Like the neoclassical economic model, our model emphasizes the importance of incentives. Like the structural model, it contends that social structures create and contribute to inequalities.

However, unlike the structural model, which emphasizes structural barriers and unequal resources, the linkage model suggests that institutional contacts influence not only resources but also incentives. The model contends that inequalities arise, not merely from initial differences among individuals, but also from the incentives, or lack of incentives, that society and schools offer to individuals. Because societal linkages tend to offer incentives to advantaged students but not to others, linkages often magnify preexisting differences in human capital.

The result is stratified incentives, which increase the motivation and human capital of some students while decreasing them for others. We show that American society offers stratified incentives: it offers strong linkages and incentives to high-achieving students and weak linkages and few incentives to other students, who consequently see no reason to exert effort in high school. Stratified incentives create a perverse situation in which lower-achieving students not only are at a disadvantage, but they also have no incentives to improve their achievement. In contrast, higher-achieving students not only are at an advantage, but they also have clear incentives to keep improving. Contrary to a common assumption, we find that many low-achieving students plan high career goals but obtain poor information about the

requirements for their goals and about actions they could take to achieve desirable career payoffs. This situation is not inevitable, and as we show, some other nations do not stratify incentives, and they give work-bound students clear incentives for school effort. These societies provide a linkage structure that offers incentives to all students, regardless of career goal or prior achievement.

The linkage model considers additional questions that are usually ignored by other theories. While signaling theory contends that actors need more information and network theory contends that contacts affect the amount of information (Raider and Burt 1996), the linkage model contends that actors also need better information—that is, information with the right qualities. Often actors have the problem of deciding how to select information to use and how to get information that is relevant and trustworthy. We examine the ways in which long-term, repeated contacts affect the amount, relevance, and credibility of information, as well as the factors that influence who gets better information, including stratification influences on the quality of information. Some students may get better information about their incentives than others.

This book explores new questions about American work-entry practices and makes new discoveries about students, employers, and high schools. We show that poor information leads students to make unrealistic plans and to fail to make some efforts that could help them achieve their goals. We discover that students are far more confused than is generally realized, and that some groups of students have predictably high failure rates, yet counselors do not provide the career advising that we had assumed is part of their job.

Of course, work-bound students' incentives are affected by employers' reactions to their efforts. We examine how employers get information about recent high school graduates, how high schools help students get jobs, and how institutional relationships affect these processes. Although informal personal networks have been studied, studies usually ignore institutional contacts, repeated contacts, and the ways in which high school–employer interactions may influence youths' labor market outcomes. Some critics have noted that employers use invalid and biased information in hiring; we examine employers' reasons for using information about which they have misgivings. The nature of contacts may affect whether employers use school information in making hiring decisions; whether or not they do, in turn, affects students' incentives for school effort.

We also examine high schools' effects on the work-entry process and on work-bound students' incentives. High school is the main societal institution that could help students enter society. It is the last

institution that serves nearly all youths. High schools could influence employers' perceptions of students, students' perceptions of the labor market, and students' incentives. Our research examines whether high schools provide information to employers about students that corresponds to employers' needs, that predicts students' labor market success, and that creates incentives for students. We also examine whether high schools help students get better jobs, and if so, how this happens in the absence of formal procedures. We discover deficiencies in current practices and describe circumstances that might address those deficiencies.

These studies also point to actions that could remedy these problems. These studies discover that some employers have found ways to use high schools to meet their needs, and that some teachers have found ways to create incentives for students. We also discover actions that students can take in high school to get desirable jobs, including some of which many students are unaware. For instance, we discover that high schools give evaluations that signal students' value in the workplace and predict their eventual career success, yet most employers, students, and teachers are not aware of the predictive power of these indicators. We also discover that some students benefit from hidden school job-placement practices that lead to large earnings payoffs, and that, surprisingly, these school job placements help minorities and women more than white men. (White men rely more on family contacts, which we find actually have lower long-term earnings payoffs than school contacts.) Indeed, though the American system lacks formal linkages, we discover that some American teachers create informal networks with employers that are similar to the formal school-to-work institutional contacts in Japan and Germany. These informal linkages enable teachers to guide youths toward actions that enhance their labor market value, and they provide employers with trusted signals of youths' productive value.

The linkage model contends that an appropriate infrastructure of strong-tie contacts can convey relevant and trusted information about the positive value of lower-achieving students. Such linkages show students and employers each other's needs and show them incentives to respond to each other. Just as the College Board infrastructure creates incentives for college-bound students, school-employer linkages can create strong incentives for work-bound students.

The linkage model concurs with network theory that contacts are important; however, we explore the conditions necessary to make contacts effective. We show that some reforms that tried to improve labor market access without creating appropriate contacts have inadvertently stigmatized participants and failed to convey their positive

value. We explore the theoretical basis for creating effective contacts—information channels, normative sanctions, and reciprocity. We examine how some teachers create effective contacts that give meaning and value to the actions of students, particularly disadvantaged students who otherwise would have difficulty showing their positive qualities in the labor market.

The rest of this chapter has three tasks. First, we review the findings of prior research that suggest that the interactions between employers, students, and teachers sometimes make youths' work-entry problems worse. These results indicate the need for a new view of these interactions.

Second, to get a fresh perspective on interaction, we look at a system in which labor market interactions are very different from ours. Like fish not noticing the water, people have difficulty seeing customary interactions because they take them for granted. It is particularly difficult to notice missing elements—aspects of interaction that could occur but do not. This new perspective raises questions that we ordinarily do not think to ask, challenges our implicit assumptions, and points to what our society is lacking that may be contributing to the difficulties of employers and students. This suggests new research issues for our study of the American labor market. Third, this chapter outlines the agenda for the rest of the book.

Mutual Responsiveness or Downward Spiral?

Do interactions between employers, students, and teachers reduce youths' work-entry problems, or do they sometimes make these problems worse? It would be nice to assume that problems will easily fix themselves. Neoclassical economic theory suggests a plausible way in which problems create pressures for constructive change. If employers cannot get suitable workers, they will create incentives for students to prepare themselves adequately, and students will respond. If work-bound students lack skills for getting good jobs, they will anticipate their problem and increase their efforts and preparation. This theory predicts an upward spiral—employers and students responding to each other's needs so that they can benefit from each other.

Unfortunately, that positive scenario may not happen. Instead of an upward spiral, there are indications that a downward spiral sometimes occurs. As we note later in the chapter, employers do not always create clear incentives for students to increase their efforts, and they sometimes inadvertently contribute to the problems they decry.