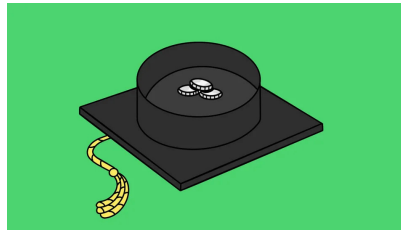


Too many master's courses are expensive and flaky



Governments should help postgraduates get a better deal

For young people with big ambitions, bagging a measly bachelor's degree no longer seems enough. Students in America have been rushing into postgraduate courses, even as demand for higher education among the general public has declined. These days nearly 40% of university-educated Americans boast at least two degrees. In Britain a surge in demand from foreign students has created a huge boom in postgraduate education. Universities there now dole out four postgraduate qualifications for every five undergraduate ones.

Master's degrees lasting one or two years are the biggest draw. These courses are necessary for jobs, such as teaching in academia, that are appealing even if poorly paid. Yet many of the people who enroll in postgraduate study are taking part in an educational arms race. Now that undergraduate degrees are common, goes the thinking, it takes extra credentials to get ahead. The hope is that advanced qualifications will boost all manner of careers.

That is often a mistake. New data are helping researchers compare the earnings of postgraduates with those of peers who are equally bright but have only a bachelor's degree. One analysis suggests that more than 40% of America's master's courses provide graduates with no financial return or leave them worse off, after considering costs and what they might have earned anyway. A study in Britain concludes that completing a master's has, on average, almost no effect on earnings by the time graduates are 35.

Dreadful returns to lofty qualifications should worry students and politicians alike. Governments are right to think that investing in skills can pep up growth—but not when universities are flabby and inefficient. It is not just students who suffer if poor courses burden them with outrageous debts; taxpayers do, too. About half the money the American government lends to students each year is for postgraduate degrees. Generous repayment and forgiveness schemes mean a big chunk of that will never be repaid.

Governments should respond in two ways. First, they should abandon policies that are distorting the market for postgraduate study. America does not limit what it will lend postgraduates for tuition fees. This blank cheque has created a culture of profligacy in which universities raise fees, obliterating the financial returns students might ultimately make. Britain has also slipped up, though in a different and sneaky way. For a decade it has mostly declined to let universities increase fees for undergraduates, even as inflation has caused their costs to rise. In order to make up for that financial shortfall, vice-chancellors have vastly expanded expensive postgraduate programmes, some of which are of dubious quality.

The second priority for governments should be to give students the data they need to make better choices. A chasm divides the riches that flow from getting the most lucrative master's, such as in computer science, from the meagre returns of English or film studies. Fees vary wildly by institution, even for very similar programmes. And yet people shopping for postgraduate education find it much harder to get hold of information—on matters such as drop-out rates or probable future earnings—than people applying for their first degrees.

America is trying to change this. Under new rules, graduate colleges may soon be compelled to warn applicants before they sign up for courses that have a record of saddling students with low wages and high debts. Donald Trump, who likes to lambast college presidents, should make sure these changes take place. And regulators in other countries should consider similar schemes. Higher education ought to make students brainier and richer. It too often fails to do either.

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