CONTENTS

Preface ix

1 What Is the Problem? 1
2 Challenges Facing Higher Education Policy 40
3 Higher Education and Economic Growth: Jobs, Earnings, and the Skill Deficit 69
4 Private Non-Market Benefits of Higher Education and Market Failure 118
5 Social Benefits of Higher Education and Their Policy Implications 181
6 University Research: Social Benefits and Policy 256
7 New Higher Education Policies 286
8 New Strategies for Financing Higher Education 321

Appendixes
A. Correcting for Ability Bias in Returns to Higher Education 331
B. A Simplified Dynamic Model with Higher Education Externalities 347
C. Valuing the Effects of Higher Education on Private Non-Market Outcomes 351
E. Valuing the External Social Benefits of Higher Education 369

References 383
Index 405