



TRANSCRIPT

The Work Goes On

Guest: Eric Hanushek

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Eric Hanushek:

We've got a much more serious problem with our schools and if we don't do something about it, I get it... Probably everybody says, I'm too strong about this, but if we don't do something about it, I think that's the future of the U.S.

Orley Ashenfelter:

Welcome to [The Work Goes On](#), a podcast from the [Industrial Relations Section at Princeton University](#). I'm your host, [Orley Ashenfelter](#), the Joseph Douglas Green 1895 Professor of Economics, emeritus at [Princeton University](#). In this podcast series of conversations with leading thinkers and practitioners, we are creating an oral history of an entire generation of industrial relations experts and labor economists whose contributions to their fields have been absolutely extraordinary. Our guest today is [Eric Hanushek](#), who is Paul and Jean Hanna Senior Fellow at the [Hoover Institution](#) at [Stanford University](#). He is renowned for his work in a broad array of topics in the economics of education. Rick, welcome to [The Work Goes On](#).

Eric Hanushek:

Well, thanks for having me, Orley.

Orley Ashenfelter:

It's a pleasure. Let's begin the discussion by talking about your background. Where did you grow up?

Eric Hanushek:

I grew up in the west side of Cleveland, out in semi-rural area at the time. It's now part of the greater metropolitan area or serious urban area.

Orley Ashenfelter:

Isn't that interesting actually? Do you know Charlie Brown is from around there?

Eric Hanushek:

No, there's all kinds of good people from around Ohio.

Orley Ashenfelter:

Yeah, so did you go to school there?

Eric Hanushek:

I went through high school in North Olmsted, Ohio, North Olmsted Eagles, and then left Cleveland essentially for good and went out to the Air Force Academy for my undergraduate work.

Orley Ashenfelter:

I knew that, that you had gone to the Air Force Academy. Did you intend to be a pilot?

Eric Hanushek:

Oh, I wasn't sure that I had a clear path of an occupation or a profession at that time. It just seemed exciting. I was in the seventh graduating class from the Air Force Academy. It was all brand new aluminum and glass structures.

Orley Ashenfelter:

Oh, I forgot. Of course, the Air Force Academy didn't start until well after the second World War.

Eric Hanushek:

Correct.

Orley Ashenfelter:

Oh, my heavens. That is fascinating. Now, how did it happen that you went to the Air Force Academy?

Eric Hanushek:

Well, I could have done the standard thing. I was admitted to MIT to do my engineering at the time and a couple other schools but just thought that this would be exciting and so at that time the main way to get into the Air Force Academy was to be appointed by a congressman. I had no information or insights into how that was done, but our congressman had his own competitive process to decide who he was going to admit, so I just applied to my local congressman.

Orley Ashenfelter:

Isn't that fascinating, and what did you think of the Air Force Academy?

Eric Hanushek:

Oh, for me it was great. I actually got a lot out of it and still owe them a lot. It was a very unusual place at the time. Most of the faculty was a collection of pilots and people from around the Air Force who taught there. Not too many had PhDs at the time. There were lots of master's degrees and so forth, but the economics department was really unusual. It had... One of my long-term mentors, John Kain, was on the faculty at the time before he went to Harvard.

Orley Ashenfelter:

John Kain was on the faculty at the Air Force Academy.

Eric Hanushek:

He was, and Merrill Bateman, you might know, who was eventually the president of BYU, but one of Charlie Kindleberger's good students, and there were several other people that were really serious economists, and the chairman of the department there decided at the time that he would take advantage of the fact that lots of people had ROTC experience in their work. They deferred their entry into the military after they finished their ROTC to get PhDs, and then the chairman of the department went in and looked and hunted out these people and got a really serious faculty. So, I got a very good education and as an economist undergraduate. I honed my squash game pretty well at that time and got a lot out of the fairly disciplined background that I grew up with.

Orley Ashenfelter:

I know you had done a lot of work with John Kain, but it never occurred to me that he taught at the Air Force Academy and that's how you met him.

Eric Hanushek:

I met him there. Then I went to MIT right from the Air Force Academy after getting into a slight skirmish with the hierarchy at the Air Force Academy. The dean of the faculty there arranged to send me off to MIT, which I went off and then worked as an RA for John Kain a little bit over the summers when I was at MIT and he was at Harvard.

Orley Ashenfelter:

They were recruiting people to go get PhDs, I guess. That was the idea that the Air Force was interested in that.

Eric Hanushek:

Well, they're interested in sending people off to graduate school and it wasn't clear that they knew what they were doing. I got a scholarship from MIT and convinced them that this would be something prestigious for the Air Force if I could go off. Their normal was that people went off for two years of graduate work and then went back to the Air Force to do something, and as two years approached and they were figuring out what to do, I convinced first the MIT department not to give me a master's degree, and then I convinced the Air Force that if they send me off at the end of two years, they would have nothing to show for it. So, the only thing that in their interest was to allow me to stay for a third year, and that's how I ended up finishing my PhD before going into the Air Force.

Orley Ashenfelter:

And what did you do? What was your Air Force service?

Eric Hanushek:

I went to teach at the Air Force Academy.

Orley Ashenfelter:

I see, so you were another one of these fine economists that they had.

Eric Hanushek:

I was another one of those, and then I also had a year while still in the Air Force where I went back and was a senior economist at the Council of Economic Advisors for a year. So, I got an early year of Washington in at that time.

Orley Ashenfelter:

I noticed that you had worked at the Council of Economic Advisors, but I didn't realize that you were in the Air Force at the same time.

Eric Hanushek:

Oh yeah. It was a nice tour, and the Council was happy to have me because the Air Force was paying my salary and so everybody was happy with the whole arrangement.

Orley Ashenfelter:

A good deal for all except maybe, I'm not sure. How did the Air Force feel about that?

Eric Hanushek:

Well, they were happy at the time, and it all worked out. Later on, I got into a bit of a skirmish with the Air Force and they weren't as happy then because I actually knew people in Washington who could help me in my fight with the Air Force, and so... They didn't look forward enough to understand that this might come back to haunt them.

Orley Ashenfelter:

Well, I like that. I like the way you talk skirmish. It sounds almost like we've been watching Tom Cruise fly an airplane or something with a skirmish. I kind of like the idea. I'd never heard of anybody ever describing a dispute as a skirmish except for someone in the Air Force. So maybe that's you! Now after MIT, where did you go then?

Eric Hanushek:

I went to Yale for four years at Yale and had a very good time there. They were trying to start up what later became the School of Organization Management, but at that time Yale had an aversion to having a business school, and so they started this thing that they called it a Social Science Institute, but in fact, it was a preparation for getting a business school.

Orley Ashenfelter:

Who did you work with at MIT?

Eric Hanushek:

Well, the main person I worked with was John Quigley, who was an Air Force Academy graduate a year ahead of me who had been in the faculty at Yale. And so, he and I did a fair amount of work at that time.

Orley Ashenfelter:

What was your dissertation at MIT?

Eric Hanushek:

My dissertation was the education of Negroes and whites, which was an analysis of educational production functions. When I was at MIT and looking on for a dissertation topic or starting to think about it, [the Coleman Report](#) came out in, the U.S. government major report studying equality of educational opportunity, and it was a monumental document. Jim Coleman, sociologist who was later at Chicago was at Johns Hopkins at the time, and several others wrote this document that was 760 pages of which well over half the pages had some dense table or regression analysis or something on it. And at that time, nobody ever ran regressions. Nobody had any idea what it was all about. And so Pat Moynihan, a faculty member of Harvard who later became the senator, and Fred Mosteller in the Statistics Department started a faculty seminar to in fact try to figure out what this report said. So, there were 70 faculty members sitting around for dinner every two weeks to try to figure out what the Coleman Report said. And John Kain sort of snuck me into the back of the room, and I eventually got the data from the Coleman Report and wrote a dissertation on it. I was one of the first people there to write a serious quantitative analysis, clearly of education. I think it's clear I was the first economist to do some crazy thing like try to discuss education in schools.

Orley Ashenfelter:

And you've been doing the same thing ever since?

Eric Hanushek:

Yeah, no, I had no new ideas. I just, you write a dissertation. I just had nothing new to say, so I decided that I would just keep going.

Orley Ashenfelter:

You kept doing, yes. You've written so much in the economics of education that, I mean, I went over your CV just to look through all the topics and of course... I mean there are books, there are articles, opinion pieces, all kinds of things like that. You've done other things too. But after Yale, you went to Rochester for a while. I know you were there when Walter Oi was there.

Eric Hanushek:

Absolutely. I went there to actually start a public policy program. They had nothing in that, and so I went from Yale to start this program at Rochester, and so I had appointments in both political science and economics at the time. Walter Oi was in the Economics Department and was a very, very good friend and very helpful to me as I thought more about economics. He thought about economics all the time.

Orley Ashenfelter:

Walter was one of the great characters in economics that I wish he hadn't passed before we started doing these podcasts because he would've been one of the more remarkable people in the profession, I think, to talk to. And then finally, you're at the Hoover Institution. You've been there for a long time.

Eric Hanushek:

Well, it takes a while before you say I've been at someplace for a long time, but it's actually been 25 years now. And so, I spent 22 years at Rochester, and this is now the longest I've ever been in any place, and it's been good.

Orley Ashenfelter:

Well, we should talk about your work. You're known for all kinds of different topics. There's the money doesn't matter, money does matter, as you've described them as slogans rather than research topics, which I think may be a pretty fair way to say it. What are the three areas that you've worked in and spent the most time and felt that you've had the most success?

Eric Hanushek:

Well, one of them has been looking at educational policy writ large along the lines of what you just said. The money matters debates is not that money doesn't have an influence on schools. It's whether money is used effectively. If you just put down money into schools, will you get what you want in terms of outcomes? Student outcomes is what I would like, and the answer is you don't consistently get that. It matters how you use the money. So, that's been one area. The second area that I think has had probably the largest policy influence is very early on I started looking at the effectiveness of teachers in schools and essentially figured out back in the days when there weren't even standard regression programs, I figured out how to estimate the value added of teachers in schools and show that there was a huge variation in the value added of teachers within the same schools and within same districts. And that work has led to 40 out of the 50 states now want teachers to be evaluated on their value added to students, basically on the test scores of their students. But at the time, nobody thought that you should measure the performance of teachers by what students learned. So, I think that's had the biggest influence.

Orley Ashenfelter:

It does sound like an important topic, of course.

Eric Hanushek:

And then the third thing that I think had a big influence, although I'm not sure I've convinced all the economists of this, is that the quality of schools and the labor force is a big influence, if not the dominant influence on the long run growth of nations. So, back some time ago now, when there was the spate of attempts to estimate growth regressions across countries, which was then dismissed as being kind of not very useful because obviously you couldn't say anything about causation. I was a late entry as a micro economist into this entirely macro field of looking at the influence of human capital, the skills of the nation as measured by test score differences across the countries, and found that you could explain three quarters of the variation in long run growth rates by simply test scores. And that has, I think, had a fairly large influence because from that, my argument was that the World Bank's and the world's project of having education for all and everybody goes to school, I tried to convince people that it was bad policy that you send everybody to school, and it was bad policy because we had many countries of the world, developing countries, that really increased their school attainment, the amount of years of schooling that were received by their populations, but they didn't see any result in terms of productivity or anything.

And that's because they went to pretty crummy schools. They went to school a lot but didn't learn anything. And if you just measured whether they learned something, it turns out that that was a much better indicator of future productivity of the labor force.

Orley Ashenfelter:

Those are three interesting topics, and I think the last one, touching on development economics, is probably in some sense one of the most important global topics that there is in economics – what exactly causes growth and how do we fix it so that poor countries become richer. There are a couple of

things I'd like to ask you about specifically. One of the things that was talked about at great length for a long time, [No Child Left Behind](#). Do you have a valuation in your own mind of whether that was a useful project or not?

Eric Hanushek:

I do. I do. Would you like to know?

Orley Ashenfelter:

Yeah. Yes, indeed. If you've got a view, let's hear it.

Eric Hanushek:

No Child Left Behind is a great example of public policy. I think No Child Left Behind had a very positive impact, and it did that even though it was 180 degrees wrong.

Orley Ashenfelter:

Okay, you're going to have to explain that.

Eric Hanushek:

What No Child Left Behind said was that states should decide what they wanted to produce, what students should look like, and how to test that. And if in fact students in different schools didn't learn it, the federal government would tell them how to educate kids. And so, to me, that was 180 degrees wrong. The federal government has a much better view of what students should look like, and we're in a national labor market, and you shouldn't rely on the particular views of those in New Jersey or in Louisiana or whatever because those students won't be there when they're out working. They'll be in California. And so, you want to get that right, but then the federal government is probably the worst place to make decisions on how to educate kids, how to run schools. But even given that, what No Child Left Behind did was to focus on student outcomes as the objective and everybody – parents, schools and so forth – as they complained about the policy at the same time focused on the learning of kids and tried to do that better.

And so, I think that that had quite a positive impact. Now, it's obviously a very difficult analytical question to show that empirically what's the impact of No Child Left Behind because it was a national law, but I think it's been done. Tom Dee and Brian Jacob did an analysis that wasn't right by current causal analyses because what they did was compare states that didn't have any accountability systems before No Child Left Behind to those that did have accountability systems and showed that in fact, No Child Left Behind influenced achievement in those new states. But the problem of course is that the states that already had accountability systems probably weren't exactly the same as those that didn't and that they had other things going for them. My interpretation is that that would imply that the estimates that they got of these differences were too small because the prior states had other things that were positively influencing them, and that cut down the difference.

Orley Ashenfelter:

So, you do have an opinion about it, and I guess I don't know what the status of No Child Left Behind is now, do you?

Eric Hanushek:

I do. In fact, one of the other parts of No Child Left Behind is it said all kids should be proficient by 2013. Well, that wasn't going to happen, at least as things were defined as what proficient meant. You could see that you could define proficient in a way that would make that happen, but states realized they weren't going to make it and that there are going to be these big problems. And given that, there was huge political pressure to eliminate No Child Left Behind, and in 2015 we started at a new federal accountability statute called [Every Student Succeeds Act](#), ESSA, which basically said states could do almost as much as they want. They return back all policymaking to the states and states have systematically moved away from the really serious accountability that was in No Child Left Behind.

Orley Ashenfelter:

Now, you've also written extensively about the failure, I guess, of progress of American students. Some of it of course is COVID-19, but apparently the recovery even back to prior to that is been slow. What's your take on that?

Eric Hanushek:

Well, I was surprised myself to look at those data fairly recently, and it turns out that the losses of learning, which are usually calculated we have a test score before the COVID period and a test score at the end of the COVID period, and we assume that the kids were the same, and we would subtract them and get an estimate of the learning losses from the pandemic. And I took that very seriously for a couple of years trying to convince policymakers that we had really harmed these students in school. And just recently, I looked at the data going back a bit farther and find that the decline in test scores before COVID is almost equal to the decline during COVID. And so that there was a movement of our schools in a bad way that was going before, and it continued afterwards. If you look at the change in scores between 2022 to 2024, you find that we didn't improve. We didn't even get back to where we were at the beginning of COVID. We were still going downhill. And to me, what that says is that we've got a much more serious problem with our schools, and if we don't do something about it, I get it probably everybody says, I'm too strong about this, but if we don't do something about it, I think that's the future of the U.S.

Orley Ashenfelter:

Like you, I always thought that schooling was an incredibly important part of what we do in the U.S. Now we're coming to the end of our podcast, and I want to ask you about something that just came across my desk yesterday, something quite a bit different from work on education directly, and that's subtitles in movies. I saw [this paper](#) that you just literally popped out arguing that whether... We've all been outside the U.S. obviously and turn on television, and sometimes you see an American television program and there are subtitles and sometimes they've dubbed in whatever the other language is. I just talked with someone today who actually learned Italian that way. He watched American television programs that had been dubbed and decided that was a way to learn Italian, and he actually seemed to have done pretty well.

Eric Hanushek:

No, no, nope, nope. He did something else. He watched American TV programs that had been subtitled.

Orley Ashenfelter:

No, he watched American novel has really been dubbed. Yeah, no, but I want to bring up your example because your example is the reverse, which is that suggesting that if you subtitle rather than dub, then if

someone wants to learn English, of course, he didn't want to learn. He already knew English. He wanted to learn Italian. That somehow the subtitling means that the people's English performance is better. Now, let me ask you this. How do you convince? Are you convinced that that's true?

Eric Hanushek:

Absolutely, and in fact, nobody in the U.S. thinks about dubbing and subtitling except for your friend but if you go to Europe, people understand that completely. My long-term co-author who unfortunately was German because the Germans dub everything, but he went off and got some subtitling of programs when he went off to visit some other country and found that that made a big difference in his English proficiency, and it's a huge impact. And the comparison here, you have to know what would happen. Countries made these choices in the basically 20s and 30s, just as talkies were coming into the movie theater. They made their decisions because all of the media, all the movies were made in the U.S. and countries decided either to dub or subtitle. Big countries that had a big market tended to dub and small countries tended to subtitle, and they've kept it doing the same all the way along. It's sort of breaking down now because if you can go to Netflix, you can choose what you want to do in general.

Orley Ashenfelter:

That's right.

Eric Hanushek:

But before this, it was all set. Well, so what would the Portuguese have done? How would they have learned if they had been a dubbing country instead of a subtitling country? So, what we did was compare the difference between English language performance and their math skills where we have measures of the math skills in every country on the idea that math wouldn't be affected by whether the TV is subtitling or dubbing. And what you see is that in relative terms, dubbing countries do much better in math than they do in English, where in relative terms, subtitling countries do much better in English than they do in math, and it's just stark the difference if you just plot it out. And then as is standard, instead of just plotting out this answer, which is the complete answer, we have 30 pages of elaborate robustness checks and so forth to convince people that that's right, but it's just so clear in the data when you look at that.

Orley Ashenfelter:

It's interesting. Charlie Chapman, he had talkie movies but without language, and he did that deliberately to avoid this problem. Of course, that came to an end. Charlie Chapman didn't survive forever doing that kind of thing, but he was concerned about the fact that they weren't universal. The interesting idea that if you like my favorite is *Modern Times*, and there's a gobbledygook song in it. In fact, it's not an actual language. You just kind made it up. Well, it's been absolutely a pleasure talking to you today.

Eric Hanushek:

Or it's always great to talk with you and thank you for having me. I'm a little bit, I guess, on the fringe of labor economics at this point because the economics of education has become a sort of separate subfield. But I'm always come to the labor economics group.

Orley Ashenfelter:

Our guest today has been [Eric Hanushek](#), who is Paul and Jean Hanna Senior Fellow at the [Hoover Institution](#). Please join us again for the next episode of “[The Work Goes On: an Oral History of Industrial Relations and Labor Economics](#)” from the [Industrial Relations Section at Princeton University](#). I'm your host, Orley Ashenfelter. Thanks for listening.

Announcer:

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