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Because today's Bachelor's degree no longer conveys sufficient information about the skills graduating seniors possess, there is a market failure that affects employers, students, and colleges. Too many deserving students do not get an interview with potential employers; today's employers do not have the appropriate data to find the prospects they need. Colleges do not know which students to promote for which kinds of jobs, nor do they understand what kinds of specific skills employers are looking for. In reality, we do not have an effective or efficient market to better serve employers, students, and colleges. To correct this market failure we need to level the playing field for all participants by offering an appropriate standardized test that controls for grade inflation and variability of criteria for grades across colleges (Rojstaczer and Healy (2012).

The Case

Hoxby and Avery (2012) demonstrate that as many as 10 to 15 times the number of African American and Hispanic students as previously thought have SAT or ACT scores that meet the admissions requirements of the most prestigious colleges. However, these students are often advised not to apply to selective schools and/or are located in locales and high schools not frequented by college recruiters from elite institutions.

If we did not have the SAT and ACT in place, admissions officers would only have students' high school GPA to rely upon for admissions decisions. There likely would be even fewer students from underrepresented groups admitted to the most selective colleges because the SAT provides important additional information to students' high school GPAs (Kobrin et al., 2008). College to work presents a more severe market failure because there are no standardized tests to accompany students' college cumulative GPA that could control for the grade inflation and variability of grades across colleges. Such a test could assist in leveling the playing field for students from less selective colleges without damaging the prospects from more selective colleges.

The Collegiate Learning Assessment, CLA+, is appropriate for graduating college seniors who are seeking employment (<http://www.cae.org/cla+>). CLA+ measures critical-thinking skills that leaders agree are a key requisite for success in the work place. Graduating seniors who take CLA+ gain important additional information about the skills they have acquired in college. Colleges will also benefit from having more information about the skill levels their students achieve.

The focus on critical-thinking skills, including analytic and quantitative reasoning, problem solving, and writing is consistent with a shift in the way knowledge is now defined. It is more important today to be able to access, structure, and use information and apply what one knows to new problems than merely memorize facts.

Many undergraduates do not major in disciplines that correspond to specific careers. Moreover, the nature and function of today's workplace roles are so fluid that specific technical skills and content knowledge become antiquated in just a few years. Of course critical-thinking skills do not cover all aspects of either education in college or what employers look for in potential employees. However, they are essential to most occupations. Here are the principal market failure issues students, employers, and colleges face.

Students

Grade inflation has resulted in the national mean college cumulative senior GPA rising to 3.3 (on a four point scale) (Rojstaczer and Healy, 2012). This means most graduating seniors do not have an objective way to distinguish their skills from other students when they apply for jobs; they are all above average. Students who attend the top 50 selective institutions, are likely to get a pass because many employers will choose students based on institutional prestige. However, what about the others, the 90-plus percent of graduating seniors who attend less selective institutions? There are a great number of students who graduate from these colleges and universities that have the critical-thinking skills and abilities that employers prize.

Employers

Employers spend much time and money interviewing potential applicants for jobs. Some employers give applicants assessments on the skills and abilities they require in their employees. However, in the age of grade inflation, how do hiring managers decide who to interview in the first place? If, in addition to résumés and college transcripts, hiring managers have the results of a valid and reliable critical-thinking test, their pool of potential applicants would expand. The employment process would be more effective and efficient, and employers would be better equipped to tap the social, economic, and ethnic diversity of students reflected in all of our colleges and universities.

Colleges

Less selective colleges produce many college graduates that achieve distinction in their careers. . However, they face a branding problem. Since these colleges do not have reliable tools that make the case for their stronger graduating seniors, employers never discover their students. Less selective colleges, in particular, should consider recommending that their graduating seniors take CLA+. This should increase the number of their graduates who are qualified for jobs at the peak of the value-added product cycle. If this turns out to be the case, less selective colleges will change employers' preconceived notions about their graduates and the colleges that produce them.

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