To: Rep. Tom Price, M.D., Chairman, House Committee on the Budget

From: Thomas K. Lindsay, Ph.D.

Date: 19 September 19, 2016

RE: Written testimony submitted for September 21, 2016, committee hearing on "Restoring the Trust for Families and Working-Age Americans"

Outline of Problems and Solutions Discussed in Research

The Problems:

1. Tuition Hyperinflation/Student-Loan Debt
2. Bennett Hypothesis
3. Administrative Bloat
4. Grade Inflation
5. Poor Student Learning
6. Lack of Accountability/Trans-parency

Reforms:

- (Addressing Problems1-2) **Affordable Baccalaureate Programs**
  a. Online
  b. Competency-based
  c. Roughly half the price of traditional education
  d. Target: non-traditional & veteran students

- (Addressing Problem 3) **10% across-the-board cut in administration**:

a. GWU's former president Trachtenberg: "20% administrative cuts plus 20% increase in teaching productivity"
b. Cuts achieved primarily through attrition

- (Addressing Problems 4-6) **Contextualized Grading**: makes transcripts more meaningful for prospective employers

- (Addressing Problems 4-6) **Required Collegiate Learning Assessments** in 1st & 4th Years

- (Addressing Problems 4-6) **Informed Student Document**:
  a. comparative graduation rates
  b. comparative net tuition costs
  c. comparative loan-debt (by major)
  d. comparative starting salaries-by major

- **(**Addressing Problems 4-6**) Performance Based Funding**
  a. growing trend nationwide
  b. emphasis has been on graduation and completion rates
  c. *to prevent dilution of standards*: marry graduation rates with learning outcomes (through the CLA)

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Thank you for extending me the opportunity to present my research on the question of how we might increase opportunity for everyday Americans through higher education. My research conducted on this question points to the need to promote greater innovation in higher-education delivery through fostering greater competition among higher-education providers.

In addition to publishing research on this issue over the past five years, I also spent the quarter-century prior serving as, first, a university professor, and then, a college dean, provost, and president. I also had the opportunity to survey the national higher-education landscape while serving as the deputy chairman of the National Endowment for the Humanities (2006-2008).

To summarize my views, this country has embarked on very well-intentioned federal policies aiming to increase college access, for which all involved are to be commended for their earnestness.

Nevertheless, as with nearly all government policies, there have been some negative, unintended consequences. In my view, the work ahead of us must consist in no small part in moderating some of these policies in order to better align higher-education demand with pricing, as well as to better balance student access with success.

What follows is derived from my published research, all of which can be accessed at www.texaspolicy.com. For the sake of clarity, I have reprinted below a number of my articles published in *Forbes*, for which I serve as a regular contributor. All of these editorials stem from my published research.

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Here are the facts regarding public higher education in the United States today:

- Over the past quarter-century average college tuition prices nationwide have jumped 440 percent. This rate of increase is nearly four times that of the C.P.I. over the same period.
- To attempt to pay for these historic increases, students and their parents have amassed historic debt. At roughly $1.3 trillion, student-loan debt now exceeds even total national credit-card debt for the first time in our nation's history.
- Half of those who enroll in college fail to graduate.
- Of those who do graduate, 36 percent show little-to-no increase in the critical-thinking and writing skills that a degree is supposed to signify.
- The two points immediately above ([1] only half of students graduate and, [2] of the graduating half, only 64 percent attain significant learning, the result is this: Only 32 percent of all students who enter college both graduate and do so having received the learning that a college degree is supposed to signify. This is a scandal.
- In the early 1960s, college students studied on average 24 hours a week, whereas today they spend only 14.
- Nearly half of recent college graduates are underemployed.

- Finally, grade inflation is real, rampant, and ravaging grading standards. In the 1960s, 15 percent of college grades nationwide were A's. Today, that percentage has tripled: 45 percent of all grades today are A's. In fact an A is now the most common grade given in college. Roughly three-quarters of all grades are now either A's or B's.

Higher-education researchers read the statistics above as a warning sign, which we would do well to heed.

The irony here is that much of our crisis was not only caused by us but done with our best intentions. Moreover, as the crisis has grown, a number of elected officials and policymakers have begun championing various ideas designed to address higher education affordability. The proposals run the gamut—from federal measures to impose greater accountability on universities, to income-based repayment of student loans, to community college for free, and to four-year college for free.

But while the proposals differ, their differences are less important than what they share. What they all have in common is a fundamental misunderstanding of what's driving the crisis that all sides seek to solve.

They fail to understand that the factors composing the dilemma we face—tuition hyperinflation, burdensome student-loan debt, and poor student learning—are to some extent branches of the same tree, whose roots are found in the well-intentioned but what has proved to be naïve assumption that virtually all high school graduates should go to a traditional four-year college.

We can see the destructive effects of the college-for-all agenda when we look more closely at each of the elements of our higher-education crisis mentioned above—affordability, debt, and poor student learning.

When it comes to the increasing unaffordability of higher education (average tuitions have risen 440 percent in the past quarter century, far outpacing contemporaneous increases in general inflation), there is a growing consensus that the policies of the federal government itself have caused a good deal of the unprecedented spike. How? A recent study by the Federal Reserve Bank has confirmed what former U.S. Secretary of Education saw nearly thirty years ago, when he observed that increases in government subsidies to college students allow colleges and universities "blithely" to hike tuitions. The Federal Reserve Bank has found that every new dollar of Pell Grants or subsidized student loans results in universities raising tuitions between 55 and 65 cents.

What led the federal government to adopt and then repeatedly expand taxpayer subsidies for student loans? Without them, the country could not hope to reach its new goal of ensuring that all who want to go to college could afford to do so. This began as the more reasonable and defensible goal of subsidizing able students who were poor. But the subsequent iterations of the loan-subsidy program have expanded it to include a good number of students from families who are not poor. In time, the flawed premise animating these programs metastasized to such an extent that the results have been no less than scandalous. A recent report on the practices of Georgetown University makes this point. The elite law school counsels its students on how to manipulate the Income-Based Repayment Plan to shift large portions of their student-loan debt onto the backs of taxpayers.

Bearing this in mind, the crisis of crushing student-loan debt comes better into focus as both a cause and an effect of tuition hyperinflation. It exists as an effect because would-be college students and their parents, struggling to keep pace with rising tuitions, have been forced to borrow at historic proportions. Today, for the first time in our history, total student-loan debt, which stands at $1.3 trillion, exceeds total national credit-card debt, and this in a country fairly addicted to credit cards. It exists as a cause for the reasons stated earlier: When more money is in the hands of consumers, they will buy more; when they buy more, sellers will raise prices. Yet this simple fact of economics appears lost on those who have criticized Bennett's hypothesis for nearly three decades—and appears still lost on those whose "solution" to the debt crisis is to quench the fire by dousing it with ever-greater quantities of inflammable student-loan subsides, paid for by federal taxpayers.

In short, when the national goal became college for virtually everybody, it sent millions more flocking to college campuses than had previously been the case. This increased demand, enabled by federal subsidies, could not help but to produce the sharp increases in tuitions—and with them, a concomitant increase in debt—that students and their parents have suffered under since.

But the drive to make college accessible for virtually all high school graduates has had an even more profound, and more destructive, consequence than the financial quagmire described above. The most tragic effect has been the decline in student learning. Sending millions more students to college has proved to cost more than mere money. A genuine liberal arts and sciences core curriculum—a staple of higher education institutions up until roughly fifty years ago—is too difficult for more than about 20 percent of high school graduates. What, then, to do when the goal became sending far more than this percentage to college? Inevitably, this could not be accomplished without lowering standards.

The heartbreaking results of this lowering of standards have been documented in Arum and Roksa's *Academically Adrift*, which should have stirred higher education more than it did when it revealed that 36 percent of college students nationwide show little or no increase in fundamental academic skills—critical thinking, complex reasoning, and clear writing—after four years invested in college.

Other national, longitudinal studies confirm the dramatic decline in university standards. For example, in the early '60s, college students studied an average of 24 hours a week alone. Today, that number has slipped to 14. Equally alarming, these less-diligent students receive historically high grades. Fifty years ago, "A" grades went to 15 percent of college students nationwide. Today, an A is the most common grade given in college (43 percent). Moreover, 75 percent of all grades awarded today are either A's or B's. Given these lax standards at universities, it is unsurprising that Arum and Roksa found what they did.

But even this massive, decades-long, watering-down of college curricula and grading standards has not succeeded in fulfilling the unfulfillable vision of college for all. Consider these facts: Roughly half of all who enroll in college never graduate. Of the half who do, we know from *Academically Adrift* that 36 percent fail to demonstrate any substantive increase in learning. This means that, of all the students who enroll in college, only 32 percent succeed in acquiring both a degree and the knowledge that a degree is meant to signify.

As bad as these statistics are, they barely communicate the true human toll exacted by our utopian project. Today, those without college degrees feel like second-class citizens. With this has come a denigration of the mechanical and other talents needed to succeed at skilled trades, which, on average, can pay well.

Worse, those students who, contrary to their interests and aptitude, feel compelled by public pressure to attend college, only then to drop out, suffer a double-blow. They are left not only demoralized by their "failure," but also often find themselves burdened with student-loan debt, which is all the more difficult for them to repay because they do not have a degree.

The good news is that there are solutions available to us now through which we can arrest tuition inflation and lower student-loan debt. The first solution was born in my home state of Texas and can be easily replicated nationwide. Here I refer to the Texas Affordable Baccalaureate Program.

In 2014, three higher-education partners—Texas A&M University-Commerce, South Texas College, and the Texas Higher Education Coordinating Board (THECB)—launched the "Texas Affordable Baccalaureate" (TAB) Program, Texas's first public university bachelor's degree combining online learning and competency-based standards. Its new degree in Organizational Leadership can cost as little as $750 per term and allows students to receive credit for as many course competencies as they are able to master. Although the program aims first at returning adults, those entering with no previously earned credits can acquire their degree in three years at a total cost of between $13,000 and $15,000. At the other end of the spectrum, adults entering with 90 credit hours already earned can finish their degree in as little as a year and at a total cost of between $4,500 and $6,000.

Given the excitement over the first Affordable Baccalaureate Degree Program, it was only a question of time before it expanded beyond the campuses of A&M-Commerce and South Texas College.

That time came this January, when AT&T President, Dave Nichols, Texas State Comptroller, Glenn Hegar, and the THECB chairman, Bobby Jenkins, announced that AT&T would be contributing an additional $400,000 to THECB's College for All Texans Foundation to fund expansion of the TAB program from its current two campuses to ten, with the intention of enrolling more than 21,000 students over its first five years.

Under the new AT&T grant, public institutions of higher education in the state will compete for start-up funding for a TAB program of their own. Commenting on the new funding initiative, THECB's Jenkins noted, "Expansion of the TAB program is a key to achieving the state's "60x30TX" higher education goals for completion, marketable skills, managing student debt, and ensuring that at least 60 percent of Texans ages 25-34 will have a college degree or certificate by 2030." Most importantly, Jenkins added, "the TAB program, with its competency-based model, allows our institutions to serve the non-traditional students that are the new majority in higher education, such as military veterans, older, working students and Texans with some prior college credit but no degree."

Jenkins's latter point is noteworthy, because it is far from common knowledge. We still tend to think of college-going students as consisting predominantly of 18-22-year-olds who attend a residential campus fulltime. This is no longer the case. Today, the majority of those seeking some sort of postsecondary education—be it a two-year degree, a four-year degree, or a certificate—are nontraditional students. They are over the age of 25 and/or working fulltime and/or supporting families of their own. For this, the new majority, access to a traditional college education can be difficult if not well-nigh impossible.

In addition, the TAB program looks to be tailor-made for veterans, whose military training often satisfies a number of competency-based criteria. In short, under the TAB Program, veterans will be able to get their degrees more quickly and universities will be able to lessen the financial burden they bear in teaching them.

On a number of fronts, then, the expansion of the TAB Program is encouraging news for Texans. And as the program begins it expansion across Texas, it is reasonable to expect that the other 49 states will sit up and take notice.

Eight Suggested Reforms in Light of the Above

- The U.S. Congress should consider requiring all public universities to offer Affordable Baccalaureate Degrees as a certain percentage of their total course offerings. This should become a prerequisite for further federal funding for each school. (See my article on the subject, below, for greater detail.)
- The U.S. Congress should require all federally-funded public universities to share "some skin in the game" when it comes to student success (see my article on this subject, below, for greater detail). Until this happens, schools will have little incentive to focus on anything more than what currently is the primary component of federal funding—the number of students enrolled.
- To ensure transparency in grading standards, the U.S. Congress should require all federally-funded public universities to introduce "contextualized transcripts." These would give prospective employers a much clearer sense of where students excelled in college. (See my article on the subject, below, for greater detail.)
- To better inform students and their parents, Congress should require all federally-funded public universities to provide "Informed Student Documents" on their applications. These documents would provide:
  a. comparative graduation rates
  b. comparative net tuition costs
  c. comparative loan-debt (by major)
  d. comparative starting salaries-by major.
- The Congress should consider eliminating or scaling back both Income Based Repayment and student-loan forgiveness, except in any case where the school has been convicted of

fraudulent treatment of its students. (See my article on the subject, below, for greater detail.)

- The Congress should craft legislation that redistributes some of its existing funding to community colleges, in order to encourage more students to attend community college.
- The Congress should revise the criteria by which regional accrediting boards rank schools. The current focus is on inputs, not outcomes. The outcomes listed above should be incorporated into the standards by which accrediting bodies judge schools.
- In addition to the suggested reform immediately above, the Congress should pass legislation making it easier for higher-education innovations (especially online learning and competency-based programs) to enter the field. Currently, the accrediting bodies are acting too slowly (as is the U.S. Department of Education) to expedite these cost- and time-saving innovations. Accreditation should be a vehicle that fosters competition among schools. Currently, it stifles it, and thus stifles needed innovation.

FEB 22, 2016

A Small Nonprofit's Big Remedy for the Plagues of Today's College Students

(*Forbes)*

Tom Lindsay

CONTRIBUTOR

I cover higher education, culture, and the intersection of the two

Debt and dropout rates are the twin plagues of today's college students, both in Texas and across the nation. Nationally, the *Wall Street Journal* reports that the average college graduate will owe $35,000 in student-loan debt (see graph below). Here in my hometown of Austin, Texas, only 49% of those who start college complete their degree.

If you are an adult working a job and attending community college in Texas, your chances of graduation are even slimmer. If you can somehow manage to go to school full time while holding down a job, there is less than a 15% chance that you'll ever earn your degree. If you need to go to school part-time—as 80% of community college students do—then your odds drop significantly. Nationwide, more than 30 million adults have earned some college credit but have failed to complete their degree.

So, it is notable that a small nonprofit in Austin has developed what they see as a vaccine for the modern plagues of debt and dropout.

"None of our students owes college debt," said PelotonU's Director of College Completion, Sarah Saxton-Frump, "and 83% of our students are on track to earn their Bachelor's degree on time. This, while all of them also hold down jobs and go to college."

How does the PelotonU model work? The school pairs students with high-quality online universities and provides consistent in-person college coaching. PelotonU staff meets biweekly with first-year students to walk through academic and non-academic barriers to graduation. This all occurs at a physical office, where students have the dedicated space and peer support to help them reach their goals.

Key to the approach is working with regionally accredited, non-profit, competency-based universities like Western Governors University and College for America at Southern New Hampshire University.

"PelotonU spends $2,500 per year, per student in direct service costs and also offers scholarships to ensure that tuition is affordable," said Hudson Baird, Executive Director of PelotonU. "This is the cheapest education option in the city."

Students range in age from 18 to 65, but share in common a motivation to earn a degree and an employer who supports their efforts. For example, Patrick Crawford, the general manager of a Dunkin' Donuts store in Austin, completed his high school degree but stalled at the community college level. He had all but given up on finishing his education when Dunkin' Donuts told him about PelotonU.

"The dream of returning to school was always with me, but I felt it was truly a dream," he said. "Finding the time and money for school was something I'd need to win the lottery to be able to afford. Who knew my lottery ticket would be named PelotonU? The support PelotonU offers in time, money, and mentorship is invaluable, and makes going to school possible for me."

Crawford adds that he "would like to mention the 'College Experience' that [he] did not receive when [he] went to community college. Before, it was all I could do to finish my projects and make it to class, but at PelotonU, I am immersed in the experience of what I perceive going to a four-year school straight out of high school would be like."

This is one aspect of its program that PelotonU particularly prides itself on. Face-to-face mentorship, the presence of other PelotonU students, and a flexible curriculum all provide social reinforcement – the "College Experience."

"This is the least expensive and most effective college education option in the state," said Rex Gore, co-founder and board member, "and one that will get even more affordable and effective as PelotonU grows."

Those who follow higher education will recognize this sort of argument. Ideally, innovative programs like PelotonU improve as they grow, discovering new efficiencies that are not possible when a small program is first developed. This, then, is the challenge facing PelotonU: whether it can scale.

As a nonprofit startup, PelotonU currently relies on donations and sponsors. Moving forward, it plans to work closely with universities to provide funding for its ongoing services. Recent trends in Texas higher education in support of innovative solutions for addressing the college affordability crisis lend credence to PelotonU's confidence in its ultimate scalability.

The College Credit for Heroes program, which awards competency-based credit to military veterans, began in 2011 through partnering with four Texas colleges. By the end of 2013, the program had reached agreements with thirty institutions of higher education in the state, including the entire Texas A&M System. The College for All Texans Foundation recently announced that its Texas Affordable Baccalaureate Program, which, like PelotonU, leverages emerging technology and innovative practices to dramatically reduce college costs, plans to expand from two schools to 10.

In the midst of our national student-debt crisis, this diverse array of programs designed to address college affordability gives students and parents a reason to hope for better days ahead. And for taxpayers, the emergence of nonprofit organizations like PelotonU will be especially encouraging. In light of the Federal Reserve Bank of New York's recent report outlining the significant role the federal government has played in driving up the price of tuition, PelotonU stands out as a private attempt to solve a problem that that public sector, acting alone, both created and allowed to fester for decades.

In short, PelotonU represents a bold alternative to a system of higher education in which costs have spiraled out of control even as students feel they get less mileage out of a college degree. And as the success of such alternatives grows, so will the number of students who not only succeed in enrolling in college, but also in completing their degrees without being forced to wear the straitjacket of debt.

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JAN 30, 2016

Pricing Revolution: Texas Expands its Affordable Baccalaureate Degree Program

(Forbes)

Tom Lindsay ,

CONTRIBUTOR

I cover higher education, culture, and the intersection of the two

In his 2011 State of the State Address, then-Texas-Governor Rick Perry issued a bully-pulpit challenge to the Lone Star State's public universities. He asked them to create bachelor's degree programs that cost no more than $10,000 in tuition, fees, and books. He also asked that ten percent of Texas public university degrees awarded reach this price point. How would it be accomplished? Perry advised schools to reduce costs through offering some classes online as well as through awarding course credits based on competencies acquired outside the classroom, such as during military service and/or previous employment.

Note well that the governor did not ask that the price for the new degrees total no more than $10,000 for only *one academic year*, but rather, for *the full four years* of a bachelor's degree program.

Perry's challenge was met with a mixture of disbelief and derision. The chairman of the Travis County Democrats called Perry's idea "preposterous," adding that "nobody in higher education believes that is even possible." The president of the Texas Conference of the American Association of University Professors, wondered, "Do you really want a stripped-down, bare-bones degree?"

There was a basis for their skepticism. In 2011, the average Texas public university student was paying roughly $27,000 for tuition, books, and fees for four years, and prices looked only to be going up further.

That was then. But this is now. Unlike the defenders of the higher-education status quo, prospective college students and their parents—who have suffered from a quarter-century of tuition hyperinflation and burgeoning student-loan debt—thought a proposal like Perry's might be exactly what was needed. A contemporaneous Pew study found that 57 percent of prospective students believe a college degree no longer carries a value worth the cost. Seventy-five percent of respondents deem college unaffordable.

Some in Texas public higher education recognized the public's angst. So, one year after Perry's speech, roughly a dozen programs sprouted up around the state, all purporting to answer the governor's call.

Then, in 2014, three higher-education partners—Texas A&M University-Commerce, South Texas College, and the Texas Higher Education Coordinating Board (THECB)—launched a program that fully met the governor's vision: the "Texas Affordable Baccalaureate" (TAB) Program, Texas's first public university bachelor's degree combining online learning and competency-based standards. Its new degree in Organizational Leadership can cost as little as $750 per term and allows students to receive credit for as many course competencies as they are able to master. Although the program aims first at returning adults, those entering with no previously earned credits can acquire their degree in three years at a total cost of between $13,000 and $15,000. At the other end of the spectrum, adults entering with 90 credit hours already earned can finish their degree in as little as a year and at a total cost of between $4,500 and $6,000.

Given the excitement over the first Affordable Baccalaureate Degree Program, it was only a question of time before it expanded beyond the campuses of A&M-Commerce and South Texas College.

That time came last week, when AT&T President, Dave Nichols, Texas State Comptroller, Glenn Hegar, and the THECB chairman, Bobby Jenkins, announced that AT&T would be contributing an additional $400,000 to THECB's College for All Texans Foundation to fund expansion of the TAB program from its current two campuses to ten, with the intention of enrolling more than 21,000 students over its first five years.

Under the new AT&T grant, public institutions of higher education in the state will compete for start-up funding for a TAB program of their own. Commenting on the new funding initiative, THECB's Jenkins noted, "Expansion of the TAB program is a key to achieving the state's "60x30TX" higher education goals for completion, marketable skills, managing student debt, and ensuring that at least 60 percent of Texans ages 25-34 will have a college degree or certificate by 2030." Most importantly, Jenkins added, "the TAB program, with its competency-based model, allows our institutions to serve the non-traditional students that are the new majority in higher education, such as military veterans, older, working students and Texans with some prior college credit but no degree."

Jenkins's latter point is noteworthy, because it is far from common knowledge. We still tend to think of college-going students as consisting predominantly of 18-22-year-olds who attend a residential campus fulltime. This is no longer the case. Today, the majority of those seeking some sort of postsecondary education—be it a two-year degree, a four-year degree, or a certificate—are nontraditional students. They are over the age of 25 and/or working fulltime and/or supporting families of their own. For this, the new majority, access to a traditional college education can be difficult if not well-nigh impossible.

Moreover, in 2014, according to THECB estimates, 3.1 million Texans between the ages of 25 and 64 had earned some college credits but no degree. For this large demographic, the expansion of the TAB Program might prove a godsend and, in the process, bolster the state's progress toward its 60X30TX goals.

Expansion of the TAB Program should also help alleviate somewhat the fiscal pressure on the state's budget produced by the Hazlewood Exemption Act, which offers veterans, spouses, and their dependent children up to 150 credit hours of tuition exemption, including many fee charges, at Texas public institutions of higher education. In the last Texas legislative session, concern over the cost of this program led to efforts to cut back benefits.

The efforts failed. However, expansion of the TAB Program will reduce the costs borne by public universities, and thus by the state's taxpayers. Although schools offering the TAB Program will continue to shoulder all the expenses of the Hazlewood Exemption, these schools spend significantly less to educate TAB students than they do traditional students. In addition, the TAB program looks to be tailor-made for veterans, whose military training often satisfies a number of competency-based criteria. In short, under the TAB Program, veterans will be able to get their degrees more quickly and universities will be able to lessen the financial burden they bear in teaching them.

On a number of fronts, then, the expansion of the TAB Program is encouraging news for Texans. And as the program begins it expansion across Texas, it is reasonable to expect that the other 49 states will sit up and take notice. As I have argued elsewhere, a higher-education revolution could well be in the making.

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OCT 25, 2015

Disconnect: American Higher Education versus the American People

(*Forbes)*

Tom Lindsay ,

CONTRIBUTOR

I cover higher education, culture, and the intersection of the two

A *Washington Post* op ed displays with unusual clarity the growing disconnect between the higher education establishment and the society it serves.

Penned by Hunter Rawlings, the op ed, titled, “College is not a commodity: Stop treating it like one,” seeks to correct “most commentary on the value of college,” which is “naive, or worse, misleading.” For Rawlings—president of the Association of American Universities and former president of Cornell and the University of Iowa—the problem is that “most everyone now evaluates college in purely economic terms, thus reducing it to a commodity like a car or a house.”

Such an economic focus, writes Rawlings, “while not useless, begin[s] with a false assumption.” If society now insists on treating “college as a commodity,” it needs to grasp the fact that “[u]nlike a car, college requires the ‘buyer’ to do most of the work to obtain its value. The value of a degree depends more on the student’s input than on the college’s curriculum.” However, “most public discussion of higher ed today pretends that students simply *receive* education from colleges the way a person walks out of a Best Buy with a television.”

Rawlings identifies those he believes to be responsible for these skewed education priorities “[g]overnors and legislators, as well as the media, treat colleges as purveyors of goods.” He blames this mindset for the ills from which higher education currently suffers. He criticizes the drive to measure college “outcomes” for its effect at making students “feel entitled to classes that do not push them too hard, to high grades” and to their perceived right not to have to study material that might make them feel “uncomfortable.” “Trigger warnings,” “safe rooms,” and commencement speaker dis-invitations are, he holds, the “pernicious” products of the college-as-commodity conviction. So also is the focus on graduation rates and time to degree, which falsely assumes that these metrics “*depended entirely upon the colleges and not at all upon the students.*”

However, countless public opinion surveys demonstrate that the American people do not recognize the campus world that Rawlings paints. And it is the public—those who toil and save in the hopes of attaining a degree—and not, as Rawlings would have it, merely politicians and pundits, who are demanding greater accountability on outcomes from our colleges and universities. This is evidenced by the fact that politicians from both parties, and across the ideological spectrum—Democrat President Obama, Republican former Texas governor, Rick Perry, socialist Bernie Sanders, etc.—their profound political differences notwithstanding, all agree on the urgent need to better monitor what our taxpayer-funded institutions of higher learning are providing for the money spent. The politicians are simply responding to powerful public sentiments, "leading from behind," as it were.

A national Pew survey discloses that 57 percent of prospective college students believe college is no longer worth the tuition it charges. Seventy-five percent of respondents believe a college degree is simply unaffordable. In my home state of Texas, a survey by Baselice and Associates was commissioned by the Texas Public Policy Foundation. It found that seventy-one percent of voters believe the state's colleges and universities can improve teaching while reducing operating costs. Ninety percent of voters surveyed believe there should be measurements in place to determine the effectiveness of the education delivered and material learned by students at colleges and universities.

Based on this public polling, are the American people merely as deceived (and deceiving) as Rawlings charges the political and media class to be? Is the public blind too to the fact that, as Rawlings puts it, "[g]enuine education is not a commodity, it is the awakening of a human being"?

Unfortunately, this disconnect between the higher-education establishment and the American people is far from new and—if Rawlings's well-intentioned response is any indication—appears only to be growing. Last year's *Inside Higher Ed* survey of chief academic officers revealed that ninety-six percent believed their universities "were doing a good job." However, their confidence stands in sharp contrast to how business leaders and the general public regard the matter. In a Gallup survey, only 14 percent of the American public, and only 11 percent of business leaders, strongly agreed that graduates have the necessary skills and competencies to succeed in the workplace. "It's such a shocking gap, it's just hard to even say what's going on here," remarked Brandon Busteed, who serves as executive director of Gallup Education.

Rawlings interprets this gap between the higher-education establishment and business leaders/the American people as only symptomatic of the latter's ignorance of the fact that college is not a commodity and its resulting disregard of college's distinctive purpose—"the awakening of a human being."

However, the data on higher education support the public's discontent. Moreover, the data speak directly to Rawlings's proper focus—the central task of "awakening" students' minds. Rawlings rightly advises that students need to work hard in order to get the most out of college. At the same time, we need to take account of the role that universities have been playing in incentivizing less-than-hard work on the part of students. Consider college grading standards over the past half-century. Rojstaczer and Healy's analysis demonstrates that, in the early 1960s, 15 percent of college grades nationwide were A's. Today, the percentage of A's has nearly tripled, to 43 percent. In fact, an A is now the most common grade given in college nationwide. A's and B's today constitute 73 percent of all grades. Rawlings correctly cautions students that they "need to apply themselves to the daunting task of using their minds," but grade inflation teaches students precisely the opposite. Our colleges must recognize their responsibility for grade inflation, which devalues student transcripts in the same manner, and for the same reason, that monetary inflation devalues our currency.

Worse, while students have been enjoying nearly a tripling in the percentage of A's given by professors, their study times have dropped. Fifty years ago, students studied an average of 24 hours a week. Today, that number has dropped to 14.

The consequences of rewarding students more A's for less homework could have been predicted. The landmark national study of collegiate learning, *Academically Adrift*, shocked the higher education world when it discovered that 36 percent of today's college students demonstrate little-to-no increase in critical thinking, complex reasoning, and writing skills after *four years* invested in college.

Polling shows that everyday Americans are keen to this decline in standards, as well as to the historic increases in tuition, but they continue to send their children to college, because it is still deemed indispensable for a good job. That is, the public's perception that college is overpriced and of poorer quality than in the past leads it, falsely but understandably, to conclude that college is a mere commodity.

When we realize that students today are studying less but receiving more A's, and this despite the fact that over one-third of them fail to increase their general collegiate skills during college, it becomes time for universities to bear some responsibility. Rawlings's admonitions to students to study harder is necessary though not sufficient. Our universities also need to step up and reestablish an atmosphere that demands greater rigor. Given human nature, students generally will do no more than is asked of them in college in order to graduate. Too many of our universities are asking too little; and they're getting it.

However, in the final count, we must concede that efforts to improve American higher education are to some extent beyond the capacities of both universities and their students. Both suffer from the societal project that goes under the name of "college for everybody." When we as a nation decided to send more students to four-year colleges than the roughly 20 percent of high school graduates who can truly handle genuine college work, we simultaneously gave birth to the dilemmas outlined above: tuition hyperinflation; crushing student-loan debt; grade inflation; reduced study time; and poor student learning. I flesh out these contentions here.

So, Rawlings is to be commended for reminding students to work hard. And reformers are right to admonish universities to restore standards. But both efforts will be swimming upstream so long as too many students are going to college.

College is not a commodity. So understood, college is not for everybody.

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JUL 19, 2015

Sorry, But 'College Is Too Expensive' Is Not A 'Myth'

(*Forbes)*

Tom Lindsay ,

CONTRIBUTOR

I cover higher education, culture, and the intersection of the two

In a recent editorial, U.S. Senator, Lamar Alexander (R-TN), offers a sensible proposal designed to help make college more affordable and, with it, reduce student-loan debt. His scheme, to give universities "skin in the game" when it comes to student-loan debt, should be taken seriously, given his wealth of experience in higher education—as current chairman of the Senate's education committee, past secretary of the Department of Education, and past president of the University of Tennessee. Unfortunately, beneath Alexander's reasonable proposal and sterling résumé lies a less-than-reasonable attachment to the very policies—federally subsidized student loans and Income-Based Repayment plans—that are in no small part responsible for the college-affordability crisis.

Or is there a crisis? The title of Alexander's piece, "College is Too Expensive? That's a Myth," denies it. Affording college, says the senator, is "easier than most people think." The real problem, he argues, is that "some politicians and pundits" assert that "students can't afford a college education. That's wrong." Why? According to Alexander, "Pell grants, state aid, modest loans, and scholarships put a four-year public institution with the reach of most." How?

Alexander correctly notes that community colleges are "free or nearly free for low-income students." The national average for tuition at these schools is $3,300 a year, and federal Pell grants, which need not be repaid, "also average, $3,300." Nationwide, four-year public universities, on average, charge tuition of $9,000. However, for these institutions, in addition to Pell grants, states granted "$11.2 billion in financial aid in 2013, 85 percent in the form of scholarships, according to the National Association of State Student Grant and Aid Programs." Given the plethora of funding sources, he concludes, "The reality is that, for most students, a four-year public institution is also within financial reach."

Others take issue with the senator's cheerful scenario, suggesting that he is out of touch with the average American. They point to the fact that it is not, as Alexander alleges, only "some politicians and pundits" who "say students can't afford a college education." It is the American people themselves—and a lot of them, at that. A nationwide Pew study finds that 57 percent of prospective students believe a college degree no longer carries a value worth the cost. Seventy-five percent of respondents declared college simply unaffordable.

A 2012 study conducted by the educational lender Sallie Mae suggests that the public's discontent is likely only to intensify, as *vox populi* translates into economic decision-making. The study provides evidence that outlooks and behaviors about how—and how much—to pay for college are shifting. The report finds that the amount paid for college had fallen in each of the prior two years. "American families reported taking more cost-saving measures and more families report making their college decisions based on the cost they can afford to pay." The primary means by which this trend in cost-cutting is occurring is through enrolling in less-expensive colleges and universities and/or living in the parents' home.

It is hard to fault students and their parents for their perception when one examines the harsh reality they face. In the past quarter-century, tuitions have risen 440 percent, roughly four times faster than general inflation over the same period. As a result, students and their parents have amassed historic debt in an effort to keep pace with tuition hyperinflation. Today, student-loan debt stands at nearly $1.3 trillion, which, for the first time in history, exceeds total national credit-card debt. How did we get to this point?

Nearly thirty years ago, then-U.S. Secretary of Education William Bennett foresaw this crisis when he offered what has since come to be called the "Bennett Hypothesis," which asserts that increases in government aid to college students enable schools "blithely" to increase tuition without fear of repercussion. Bennett's hypothesis has been debated ever since, but, just recently, the Federal Reserve has weighed in with a study that should remove any lingering doubts on the subject. Increasing federal student aid was found only to incentivize schools to hike tuitions further, thereby substantially nullifying any beneficial effects for students. Specifically, the study finds that every dollar of additional Pell Grants or subsidized student loans results in tuitions being raised between 55 cents and 65 cents.

This is where Sen. Alexander's well-intentioned proposal falls down. All of his cited examples of programs that help make college "affordable" take the form of government subsidies—that is, of tax increases—on the larger society, which is already laboring under an $18 trillion national debt. Sen. Alexander's proposals do little to get to this, the source of the problem, which is having government in the student loan business at all.

We see this when we examine Sen. Alexander's attempt to show that not only public but also private universities "help make a degree affordable." The private university he selects to make his case, Georgetown, could not be more unfortunate, for Georgetown has been shown to be gaming the student-loan system to allow it to raise tuitions at the taxpayers' expense. Manipulating the Income-Based Repayment plan, Georgetown counsels its law students who go on to work for the government or a non-profit entity on how to avoid tens of thousands of dollars of student-loan debt. Who picks up the bill for these college elites? The taxpayers. The result? According a *Washington Post* report, "the federal government . . . [is] paying almost $160,000 to students at an elite law school."

Shockingly, Sen. Alexander cites approvingly the income-based-repayment plan that makes possible Georgetown's entirely legal but nonetheless galling gaming of current federal regulations.

To his credit, the senator includes a proposal to "require colleges to share in the risk of lending to students. This will ensure that they have some interest in encouraging students to borrow wisely, graduate on time, and be able to pay back what they owe." This is a sound idea, but, given the dysfunction and perverse incentives that have been shown to lie at the heart of the subsidized-loans and income-based-repayment philosophy, it cannot be reasonably expected to substantially solve either tuition hyperinflation or its concomitant, crushing student-loan debt. Instead, we can expect to see tuitions and debt climb ever higher every time the federal government raises taxes to make college "more affordable." We can then expect this to be followed by more government "solutions" to the problem that it created, solutions that will only inject into the larger society the metastasizing malignancy afflicting the federal government's higher-education funding policies.

In short, if we continue with the same policies of increasing government support for higher education—through both subsidies for student tuition and income-based-repayment plans—we can expect only more of the same—higher tuitions, higher student-loan debt, higher taxes ("paid for" through debt) and more cries to "make college affordable." Sen. Alexander is on the right track in chasing for a solution to the college-affordability crisis. But, by remaining in thralldom to the current big-government paradigm, he is only chasing his tail, which he—and we—will be condemned to continue to do until and unless we purge this failed paradigm and embrace more realistic solutions to education funding, among them, easing bankruptcy requirements for loan-burdened students as well as the senator's proposal to make universities feel some of the pain of their students' exorbitant student-loan debt.

So, Sen. Alexander, "college is too expensive" is, unfortunately, far from being a "myth."

Instead, the myth is this: "We are from the federal government, and we're here to help."

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MAY 31, 2015

The U.S. Senate Pushes To Give Universities More 'Skin in the Game'

(Forbes)

Tom Lindsay

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I cover higher education, culture, and the intersection of the two

"We'll get it done this year," predicted U.S. Senator Lamar Alexander (R-TN) when asked whether Congressional efforts to pass the reauthorization of the Higher Education Act would be successful. Alexander, who chairs the Senate education committee, plans to have legislation up for a vote after the Senate returns from its August recess this year. To this end, he has proposed a number of thoughtful reforms aimed at making our universities more accountable for student failures.

The need for such reforms—and more—is clear to all who have observed the trajectory of American higher education over the past fifty years: skyrocketing tuitions, crushing student-loan debt, poor student learning, and high college-graduate underemployment.

Alexander's recent report, "Risk Sharing/Skin in the Game," cites the "unintended consequences of coupling universal access with generous, easy-to-obtain government financing," which may contribute to our "environment of over-borrowing and pricing that is becoming increasingly disconnected from a student's ability to repay." The existing federal framework rewards universities "for volume (number of students enrolled and associated loan and grant monies)." However federal policies enforce "few, if any, consequences for institutions that leave students with mountains of student debt and defaulted loans." Although Alexander does not intend Congress to move away from its "focus on ensuring access," the country is entitled to expect that its publicly-funded colleges and universities "maintain a greater stake in," or become "better aligned with, their students' success, debt and ability to repay."

The evidence grounding Alexander's critique is compelling. The latest data from the U.S. Department of Education reveal that "more than 1800 colleges have default rates above 15 percent" (the national average is 13.7 percent). Moreover, "nearly one out of every three borrowers defaulted on their federal student loans at more than 200 colleges." This distressing news is made all the more distressing when we reflect on the fact that nearly all of the Obama Department of Education's indignation has been directed at for-profit colleges, which educate only roughly ten percent of postsecondary students (and which cost taxpayers less to support than non-profit schools). Meanwhile, up until now, the terribly underperforming non-profit schools have suffered no comparable federal intervention.

The lack on the part of universities of what Alexander labels "skin in the game" contributes to the fact that there are today roughly seven million borrowers who are in default on their student loans, which total approximately $99 billion. A study by the New America Foundation finds that the average amount of each defaulted loan is $14,000—by no means trifling—which "damage[s] credit ratings with consequences for purchasing a car or a home, and wage and tax refund garnishment."

High default rates are in part the product of low graduation rates at many colleges. "Approximately 70 percent of borrowers who default on their loans withdrew from college before completing their program." After suffering the demoralizing experience of trying college and failing, student-loan borrowers must attempt to repay their loans lacking the higher income that customarily comes with a college degree. With this, we have insult added to injury.

Alexander's critique is true enough, but how to remedy this in an age that appears driven by the utopian goal of providing "college for all"? His answer: "skin in the game" for higher education. "Colleges and universities [should] assume a liability based on some factor related to their former students' repayment of federal student loans." He cites former U.S. Secretary of Education Bill Bennett's proposal that each school pay "a fee for every one of its students who defaults on a student loan, or have a 10 to 20 percent equity stake in each loan that originates at its school." Bennett's solution was echoed by a recent report in *The Economist*, which argues that, if universities "were made liable for a slice of unpaid student debts—say 10% or 20% of the total—they would have more skin in the game."

In short, concludes Alexander's report, "the risk of enrolling a student would be shared among all those who finance a student's education: the student, the federal government, and now, the institution." Doing so would guarantee that schools finally "have a clear financial stake in their students' success, debt, and ability to repay their taxpayer-subsidized student loans."

Alexander's proposal carries a bracing shot of economic reality. But does it go far enough? Higher education analyst Richard Vedder has his doubts. Although he welcomes the Senator's proposed reforms as necessary first steps, he worries that they "do not even touch the largest single policy mishap — the totally dysfunctional federal student financial-aid programs." Tuition hyperinflation, Vedder argues, began when "federal student-loan and grant programs started to become large in the late 1970s." Since then, schools "have effectively confiscated federal loan and grant money designated for students and used it to help fund an academic arms race that has given us climbing walls, lazy rivers, and million-dollar university presidents — but declining literacy among college students and a massive mismatch between students' labor-market expectations and the realities of the job market." Vedder reminds us that, "before these large programs began, we did not have nearly half of college graduates taking jobs usually filled by those with only a high-school education. . . ."

Vedder also reminds us of an even more disquieting fact. When they began, "the primary goal of the federal student-aid programs was to improve access to college for lower-income persons." But the result has been a "total failure: *A smaller percentage of recent college graduates come from the bottom quartile of the income distribution today than was the case in 1970*," when these programs began." Accordingly, only by "rethink[ing] financial aid" can we hope to achieve "real, effective reform."

Vedder is correct. And I would not be surprised to learn that Senator Alexander agrees with him, but deems real, systemic solutions to our systemic crisis beyond the realm of the politically possible at this point.

I would add that the college accountability, tuition hyperinflation, and student-loan debt crises are as much effects as they are causes. The deepest cause, which Charles Murray lays bare in his book, *Real Education*, is our educational romanticism, according to which many in our society today believe that virtually all high-school graduates should go to college. Once students who really could not master college-level work began to arrive in droves, with easy-federal-loan-money in hand, it was not difficult to forecast what the results would be: lower college-completion rates, ever-higher tuitions and debt, and diluted education quality.

Until we address this, the deepest driver of our discontents, we will have to rest content with the doubtless serious but less-transformative solutions Senator Alexander proposes.

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MAY 11, 2015

The Future of an Illusion: The Higher-Ed 'Funding Cuts' Myth

(Forbes)

Tom Lindsay

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I cover higher education, culture, and the intersection of the two

For years now, students, parents, and taxpayers have worried over college-tuition hyperinflation and its concomitant, massive student-loan debt. And for good reason. Over the past quarter-century, average tuition prices have increased 440 percent—far more than the Consumer Price Index and even health-care costs over the same period. In an attempt to foot the ever-higher bills for college, students (and their parents) have burdened themselves with historically high student-loan debt. At roughly $1.2 trillion, student-loan debt stands above total national credit-card debt for the first time in history.

Just as often as we hear the dismal facts about the growing unaffordability of college, we hear from defenders of the higher-education status quo that the fault lies not with universities but with stingy state lawmakers, who, we are told, have been "cutting funding for schools."

But this mantra could be on its way out. In a recent *New York Times* editorial, Paul Campos, a University of Colorado, Boulder law professor, offers what deserves to be the final word on the "funding-cuts-made-us-raise-tuitions" myth. And what a myth it is, as he demonstrates compellingly in the piece: "It is a fairy tale in the worst sense, in that it is not merely false, but rather almost the inverse of the truth."

To begin, Campos reveals that public funding for higher education is "vastly larger" now than it was during the alleged "golden age of public funding in the 1960s." While the U.S. military budget is roughly 1.8 times larger than it was fifty years ago, during the same period, "legislative appropriations to higher education are more than ten times higher." Tuition hyperinflation, rather than being a direct effect of "funding cuts," instead "correlates closely with a huge increase in public subsidies for higher education." To make this point more concrete, he reminds us that, "if over the past three decades car prices had gone up as fast as tuition, the average new car would cost more than $80,000."

Doubtless, a portion of the increased spending in higher education can be accounted for by the rise during the last two decades in the percentage of the population attending college, which Campos recognizes. Hence, although state funding for higher education has risen far faster than inflation, dollars appropriated *per student* are now less than they were "at their peak in 1990."

Nevertheless, Campos is right to remind us that "appropriations per student are much higher than they were in the 1960s and 1970s, when tuition was a small fraction of what it is today." Moreover, "by 1980, state funding for higher education had increased a mind-boggling 390 percent in real terms over the previous twenty years." But did this "tsunami of public money" help reduce tuition? No. "Quite the contrary."

Campos derides as "disingenuous" those defenders of the higher-education status quo who label a "large increase in public spending a 'cut' . . . because a huge programmatic expansion features somewhat lower per capita subsidies." Here he provides another illustrative example: If the government had doubled the number of military bases since 1990, "while spending slightly less per base," the charge that "funding for military bases was down," although such funding "had nearly doubled, would properly be met with derision." And yet this is precisely the narrative governing current discussions of the relation between government funding and tuition increases.

My own analysis of the relation between state funding and university tuitions and fees in Texas, the nation's second largest state, echoes Campos's findings. According to data provided by the Texas Higher Education Coordinating Board, between 2000 and 2010, state funding for Texas public higher education dropped 15.9 percent on an inflation-adjusted, per-fulltime-pupil basis. During the same period, Texas university tuition and fees rose 76.1 percent. The truth behind the "funding-cuts-made-us-raise-tuitions" myth, then, is this: There has been a mild decrease in state funding that has been accompanied by a wild increase in university tuitions and fees.

Lest his analysis be smeared as "professor-bashing," Campos is quick to point out that teachers are not the ones getting fat on this deal. Far from it. Fulltime faculty salaries today are, "on average, barely higher than they were in 1970." Where, then, is all the taxpayers' money going? Between 1993 and 2009, administrative positions increased at "ten times the rate of growth of tenured faculty positions." A study of the California State University System finds that, while fulltime faculty members increased "from 11,614 to 12,019 between 1975 and 2008, the total number of administrators grew from 3,800 to 12,183—a 221 percent increase."

Campos's focus on the role of administrative costs is supported by the findings of Benjamin Ginsberg's research, published in his 2011 book, *The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters.* In a *Washington Monthly* piece titled, "Administrators Ate My Tuition," Ginsberg presents the book's highlights. "Forty years ago," he writes, "U.S. colleges employed more faculty than administrators. But today, teachers make up less than half of college employees." Adjusting for inflation, from 1947 to 1995, "overall university spending increased 148 percent. Administrative spending, though, increased by a whopping 235 percent. Instructional spending, by contrast, increased only 128 percent, 20 points less than the overall rate of spending increase."

Ginsberg also finds that senior administrators have done particularly well of late. From 1998 to 2003, deans and vice presidents saw their salaries increase as much as 50 percent. "By 2007, the median salary paid to a president of a doctoral degree-granting institution was $325,000. Eighty-one presidents earned more than $500,000 and twelve earned over $1 million." Surveying these increases, a *Chronicle of Higher Education* report notes the difficulties that public university CEOs face when arguing that their "budgets have been cut to the bone . . . while at the same time acknowledging their rarified personal financial circumstances in states where layoffs, program closures, and pay reductions have been all too common."

Although Campos grants that arguments might be made to defend both the boom in college enrollment and "even the explosion in administrative personnel," he finds "no valid arguments" by which to justify the "recent trend toward seven-figure salaries" for senior administrators.

Equally indefensible is the claim offered by some of these same highly-paid administrators that "tuition has risen because public funding for higher education has been cut."

One can only hope that the evidence provided by Campos, Ginsberg, and others will drive a stake through the heart of the "funding-cuts-made-us-raise-tuitions" myth. But don't count on that happening just yet. The myth, Campos concludes, is as "ubiquit[ous]" as it is illusory. As long as it continues to be an unquestioned staple of the media narrative, there will be a future for this illusion, and with it, the discontents driven by disinformation.

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SEP 30, 2015

Finally, Bipartisan Agreement on Why College Is So Expensive

(Forbes)

Tom Lindsay ,

CONTRIBUTOR

I cover higher education, culture, and the intersection of the two

At long last, the reality and destructiveness of administrative bloat on America's college campuses has come to be recognized across party and ideological lines.

Or so it would appear from last week's essay in the left-wing magazine, *The Nation*. There, Michelle Chen penned a piece titled, "Why Is College So Expensive if Professors Are Paid So Little?"

To be sure, Chen's target in her essay is not administrative bloat, per se, but, instead, the plight of adjunct college teachers, for which she recommends unionization of faculty (a project with which I disagree, but that is a subject for another article). In addressing the phenomenon referred to as the "adjunctification" of college faculty, Chen cannot help but to focus on administrative bloat, and for the same reason that bank-robber Willie Sutton provided for his choice of vocation: "Because that's where the money is."

Yes, and quite a lot of money it is that has found its way to administration in the prior few decades, as Chen demonstrates. And here she comes to echo a proposition that higher-education reformers have been trumpeting for years: The excessive growth in college administrative budgets is among the most significant factors driving tuition hyperinflation (a 440% increase in average tuitions nationwide in the past 25 years) and crushing student loan debt (which now stands at $1.2 trillion—for the first time in our history, student loan debt exceeds total national credit card debt).

In her search for remedies to provide better salaries, security, and status for adjunct professors, Chen finds that "the hyperinflated price tag of college has funneled toward another aspect of the higher education system: driving funds into administrative offices." Citing a report from the SEIU, she detects a "pattern 'reflected in increases in the numbers of administrative positions, increase in those salaries, and increases in the percentage of college budgets going to these [administrative] functions.'" Citing numbers reminiscent of Benjamin Ginsberg's 2011 study, *The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters*, Chen notes that, a quarter-century ago, American campuses housed "twice as many faculty as administrators on average." But today, "the ratio is roughly equal."

From where has all the money come to fund this unprecedented growth in administration? First and foremost, it has come from students, their parents, and state and federal taxpayers. At the same time, the administrators' new feast has been prepared on the backs of hungry faculty: "Just 20 percent of the teaching workforce in 2013 were permanent of tenure track. About half worked part-time or as adjuncts, often stitching together temporary gigs at different institutions." In a *Washington Monthly* essay spinning off of his book, Ginsberg adds, "College administrations frequently tout the fiscal advantages of using part-time, 'adjunct' faculty to teach courses. They fail, however, to apply the same logic to their own ranks. Over the past thirty years, the percentage of faculty members who are hired on a part-time basis has increased so dramatically that today almost half of the nation's professors work only part-time. And yet the percentage of administrators who are part-time employees has fallen during the same time period."

So, the bottom line is this: In order to fund rising college administrative budgets, not only are students and taxpayers paying more, but many on the faculty are receiving less—through being "adjunctified." Chen points to the illustrative case of the California State University System, which, between 2004 and 2013, increased its full-time teaching staff 8 percent, "but the population of full-time-equivalent students simultaneously jumped by 20 percent." The costs and effects of burgeoning administrative budgets are more than financial. Students are losing the opportunity to learn under a full-time professor, and faculty are losing salary, security, and a say in their university's affairs through being relegated to part-time status.

Chen states the problem well. However, in her quest to advance her case for unionizing faculty, she implies but then loses sight of the better solution before her eyes: It is time to make across-the-board cuts in university administrative budgets and then return those funds to their proper focus—teaching and learning. With more money available for teaching, universities would not need to rely as much on adjuncts as they do presently. This would clearly be a boon to student learning as well as to faculty remuneration and independence.

Another measure that would improve the situation would be to have more full-time college professors teach more classes. In the past half-century, American universities at all levels of selectivity have increasingly set their sights on the "Research University Model" exemplified by Harvard (which itself copied this model from the German universities in the latter part of the nineteenth century). As a result, the most productive researchers teach fewer classes as a "reward" for their scholarly excellence. While this can be justified in a number of cases, the problem that has developed is that too many lower-tier universities, in their quest to become Harvard, have lowered the average teaching load generally so that they can be more attractive to talented prospective faculty researchers whom they seek to recruit to their campuses. As a former university professor and administrator, it has been my experience that roughly half of the faculty, once having received tenure, do little by way of subsequent publications to justify a lower course load. Were university leaders to make these underperforming researchers teach, say, one more course per semester, this too would enhance the student-learning experience and lessen the reliance on adjuncts. Moreover, these increases in teaching productivity would help to bring tuition prices down.

Finally, aside from concern over the effects of tuition hyperinflation on their students and adjunct faculty, universities should have another motivation for shrinking administrative bloat—

their own preservation. Last Friday, Moody's Investor Service released a report forecasting that a growing number of small private universities will be forced to close in the coming years, due to financial instability. And Moody's does not spare public college and universities in its prediction of trouble down the road. Although political considerations often dictate that public universities will be less likely to close than private ones, Moody's predicts that failing public institutions will be forced to merge with larger state systems.

Before the bankruptcy notices begin to arrive at their doors, many American colleges and universities need to look at where they can cut excess spending and pass these savings on to their students and faculty.

A good place to start would be campus administrative budgets.

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NOV 28, 2014

How the 'College-For-Everybody' Agenda Harms both Students and the Economy

(Forbes)

Tom Lindsay

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I cover higher education, culture, and the intersection of the two

Many in higher education worry continuously over the fact that only roughly half of students who enroll in college ever graduate, and that those who do graduate often take more than four years to do so. But few seek to go to the roots to attempt to discover the ultimate causes explaining these depressing statistics. One of the few who makes such an attempt is Charles Murray, whose contrarian explanation is, “Too many people are going to college.”

Regardless of whether one agrees with its conclusions, Murray’s *Real Education*, published in 2008, has received far less attention than the gravity of its arguments merits. *Real Education* defends what he deems are four simple truths about education, but truths that cannot be said publicly without engendering the wrath of a culture fallen prey to what he labels “educational romanticism.” They are “(1) ability varies; (2) half of the children are below average; (3) too many people are going to college; and (4) America’s future depends on how we educate the academically gifted.”

The American education system, says Murray, “is living a lie. The lie is that every child can be anything he or she wants to be.” The lie is bipartisan, he argues; it spans both Republican and Democratic Party platforms, its unrealistic assumptions driving and distorting both K-12 and higher-education policy.

In higher education, the vision “that everyone should go to college”—like all well-intentioned projects suffering only tenuous connections to reality—asks “too much from those at the bottom, . . . the wrong things from those in the middle, . . . and too little from those at the top.”

How many students, then, should go to college? In answering, Murray makes a key distinction—between “college-level instruction in the core disciplines of the arts and sciences” versus “the courses (and their level of difficulty) that are actually offered throughout much of the current American college system.” The difference between the two is large and widening. If getting a diploma proves the ability to “’cope with college-level material,’” then “almost anyone” can succeed who merely “shops for easy courses in an easy major at an easy college.” However, once we shift our focus to “college-level material traditionally defined, the requirements become stringent,” and toward satisfying this stricter demand, “no more than 20 percent of all students” qualify.

But if this is true, what of democracy's rightful wish to see as many as possible benefit from a liberal education that fulfills John Stuart Mill's vision of engendering "capable and cultivated human beings"? Murray agrees that more students should receive the "basics of a liberal education." Nevertheless, the place for most students to do this is, he argues, in elementary and middle school, not college. K-8 education should seek to inculcate the core knowledge described in E.D. Hirsch's *Cultural Literacy*—knowledge that "makes us Americans together rather than hyphenated Americans."

Murray's critique is not "the same as saying that the average student does not need to know about history, science, and great works of art, music, and literature." Instead, he urges that we "not wait for college" to teach these subjects. In college, the study of these subjects should go much deeper; it should require close, careful reading of the foundational texts that constitute what Matthew Arnold called "the best that has been said and thought in the world." For example, reading "the *Odyssey* in ninth grade is nothing like reading the *Odyssey* in a good college course."

However, "most students at today's colleges choose not to take the courses that go into a liberal education because the capabilities they want to develop lie elsewhere"—a fact that "colleges do their best to avoid admitting." Instead, under universities' "distribution requirements" (the sham version of a core curriculum), students can fulfill their humanities and literature requirements through taking courses such as Indiana University's "History of Comic Book Art"; Dartmouth's "Rock Music from 1970 to the Present," and Duke's "Campus Culture and Drinking," to mention a few. Worse, the elite Brown and Vassar require *no* core courses, casting 18-year-olds into an endless abyss of "choice," with neither compass nor yardstick.

Because universities are "no longer in the business of imparting a liberal education," it follows that those students lacking the capacity for and/or interest in a genuine core curriculum should have "better options than going from high school to college."

But what of the need for even these students to attend college to enhance their capacity to make a living? Murray responds that four-year brick-and-mortar residential colleges are "hardly ever" the best places to "learn how to make a living." To begin, for most vocations, excluding fields such as medicine and law, four years of class work is not only "too long" but "ridiculous." For many of such students, two-year community college degrees and online education provide "more flexible options for tailoring course work to the real needs of the job."

Moreover, the brick-and-mortar campus is becoming "increasingly obsolete." The "Internet is revolutionizing everything"— university libraries have lost their indispensable character, and both faculty research and faculty-student interaction no longer require the "physical proximity" that brick-and-mortar campuses make possible.

But what of the "wage premium" reaped by college graduates? For Murray, high-school graduates who pursue the B.A. primarily to boost their earning power are "only narrowly correct." Doubtless, B.A.-holders earn more on average than those without degrees, but this due in part to a "brutal fact." Given the increase in the number of college graduates over the past half-century (more than a third of 23-year-olds now hold B.A.s), "employers do not even interview applicants" without degrees. "Even more brutal," the B.A.'s comparative advantage "often has nothing to do with the content of the education" received. The average employment gains of college graduates must be weighed against the fact that "wages within occupations form a distribution." Therefore, a student with average academic skills but exceptional "small-motor skills and special abilities" is more likely both to earn more and to be happier as, say, an electrician than as a mediocre middle-manager.

In addition to being happier as an electrician, this student would benefit from the fact that "there has never been a time in history when people with skills not taught in college have been in so much demand at such high pay as today." In fact, as in the case of the proficient electrician, the wages of top performers in a plethora of occupations not requiring a B.A. are "higher than the average income for many occupations that require a B.A."

Murray presents a higher-education system in which too many students are forced to spend too much time chasing their tails. His thesis that too many are going to college today goes no small distance toward explaining why roughly half of those who enroll in college fail to graduate. It goes a long way toward explaining why, of those who do graduate, 36 percent show little-to-no increase in the critical-thinking and writing skills that a degree is supposed to signify. It goes a long way toward explaining why, in the '60s, college students studied on average 24 hours a week, whereas today they spend only 14. Finally, it goes a long way toward explaining the rampant grade inflation perpetrated by universities eager to "accommodate" the masses of new students in college who can't cope there. In the '60s, 15 percent of college grades nationwide were A's. Today, that percentage has nearly tripled: 43 percent of all grades today are A's. In fact an A is now the *most common grade* given in college.

Higher-education reformers read the statistics above and pronounce higher education broken. If they hope to fix it, one indispensable step is to face Murray's thesis without blinking.

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Higher Education's Faulty Economics: How We Got Here

(Forbes)

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I cover higher education, culture, and the intersection of the two

As the presidential primary season goes into full swing, candidates in both parties are championing a number of ideas designed to address the higher education affordability crisis. The proposals run the gamut—from federal measures to impose greater accountability on universities, to income-based repayment of student loans, to community college for free, and to four-year college for free.

But while the proposals differ, their differences are less important than what they share. What they all have in common is a fundamental misunderstanding of what's driving the crisis that all sides seek to solve.

They fail to understand that the factors composing the dilemma we face—tuition hyperinflation, burdensome student-loan debt, and poor student learning—are to some extent branches of the same tree, whose roots are found in the well-intentioned but what has proved to be catastrophically naïve assumption that virtually all high school graduates should go to college. Charles Murray has written eloquently on this topic in his book, *Real Education*, which I reviewed here.

We can see the destructive effects of the college-for-all agenda when we look more closely at each of the elements of our higher-education crisis mentioned above—affordability, debt, and poor student learning.

When it comes to the increasing unaffordability of higher education (average tuitions have risen 440 percent in the past quarter century, far outpacing contemporaneous increases in general inflation), there is a growing consensus that the policies of the federal government itself have caused a good deal of the unprecedented spike. How? A recent study by the Federal Reserve Bank has confirmed what former U.S. Secretary of Education saw nearly thirty years ago, when he observed that increases in government subsidies to college students allow colleges and universities "blithely" to hike tuitions. The Federal Reserve Bank has found that every new dollar of Pell Grants or subsidized student loans results in universities raising tuitions between 55 and 65 cents.

What led the federal government to adopt and then repeatedly expand taxpayer subsidies for student loans? Without them, the country could not hope to reach its new goal of ensuring that all who want to go to college could afford to do so. This began as the more reasonable and defensible goal of subsidizing able students who were poor. But the subsequent iterations of the loan-subsidy program have expanded it to include a good number of students from families who are not poor. In time, the flawed premise animating these programs metastasized to such an extent that the results have been no less than scandalous. A recent report on the practices of Georgetown University makes this point. The elite law school counsels its students on how to manipulate the Income-Based Repayment Plan to shift large portions of their student-loan debt onto the backs of taxpayers.

Bearing this in mind, the crisis of crushing student-loan debt comes better into focus as both a cause and an effect of tuition hyperinflation. It exists as an effect because would-be college students and their parents, struggling to keep pace with rising tuitions, have been forced to borrow at historic proportions. Today, for the first time in our history, total student-loan debt, which stands at $1.2 trillion, exceeds total national credit-card debt, and this in a country fairly addicted to credit cards. It exists as a cause for the reasons stated earlier: When more money is in the hands of consumers, they will buy more; when they buy more, sellers will raise prices. Yet this simple fact of economics appears lost on those who have criticized Bennett's hypothesis for nearly three decades—and appears still lost on those whose "solution" to the debt crisis is to quench the fire by dousing it with ever-greater quantities of inflammable student-loan subsides, paid for by federal taxpayers.

In short, when the national goal became college for virtually everybody, it sent millions more flocking to college campuses than had previously been the case. This increased demand, enabled by federal subsidies, could not help but to produce the sharp increases in tuitions—and with them, a concomitant increase in debt—that students and their parents have suffered under since.

But the drive to make college accessible for virtually all high school graduates has had an even more profound, and more destructive, consequence than the financial quagmire described above. The most tragic effect has been the decline in student learning. Sending millions more students to college has proved to cost more than mere money. As Murray accurately notes, a genuine liberal arts and sciences core curriculum—a staple of higher education institutions up until roughly fifty years ago—is too difficult for more than about 20 percent of high school graduates. What, then, to do when the goal became sending far more than this percentage to college? Inevitably, this could not be accomplished without lowering standards. Today, most universities have abandoned a required core curriculum, replacing it with "cafeteria-style" education—a little of this, a little of that, but nothing by way of a unified vision of the good life at which liberal education had aimed in the past.

The heartbreaking results of this lowering of standards have been documented in Arum and Roksa's *Academically Adrift*, which should have stirred higher education more than it did when it revealed that 36 percent of college students nationwide show little or no increase in fundamental academic skills—critical thinking, complex reasoning, and clear writing—after four years invested in college.

Other national, longitudinal studies confirm the dramatic decline in university standards. For example, in the early ‘60s, college students studied an average of 24 hours a week alone. Today, that number has slipped to 14. Equally alarming, these less-diligent students receive historically high grades. Fifty years ago, “A” grades went to 15 percent of college students nationwide. Today, an A is the most common grade given in college (43 percent). Moreover, 73 percent of all grades awarded today are either A’s or B’s. Given these lax standards at universities, it is unsurprising that Arum and Roksa found what they did.

But even this massive, decades-long, watering-down of college curricula and grading standards has not succeeded in fulfilling the unfulfillable vision of college for all. Consider these facts: Roughly half of all who enroll in college never graduate. Of the half who do, we know from *Academically Adrift* that 36 percent fail to demonstrate any substantive increase in learning. This means that, of all the students who enroll in college, only 32 percent succeed in acquiring both a degree and the knowledge that a degree is meant to signify.

As bad as these statistics are, they barely communicate the true human toll exacted by our utopian project. Today, those without college degrees feel like second-class citizens. With this has come a denigration of the mechanical and other talents needed to succeed at skilled trades, which, on average, can pay well.

Worse, those students who, contrary to their interests and aptitude, feel compelled by public pressure to attend college, only then to drop out, suffer a double-blow. They are left not only demoralized by their “failure,” but also often find themselves burdened with student-loan debt, which is all the more difficult for them to repay because they do not have a degree.

Higher-education reformers look at this bleak picture and wonder why all the ostensible solutions to the higher-education crisis serve only to double-down on the misguided premise that produced the crisis in the first place. Until and unless we jettison our utopian expectations, increasing numbers of students will continue to pay more and more and learn less and less.

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