



# (Not) Cheaper by the Dozen

## 12 Myths about Higher Education's Cost and Value

by Tom Lindsay, Ph.D.

*Note: While Texas' debate over public higher education's cost and value has garnered a great deal of state press coverage in the last few years, this is far from a Texas issue alone.*

*As the statistics below demonstrate, skyrocketing tuitions and student-loan debt, as well as poor student learning and administrative bloat, signal a deep, systemic crisis in higher education, both in Texas and nationally.*

*This crisis will never be successfully addressed until and unless the myths listed below are identified as myths and rebutted.*

### MYTH 1: The public is satisfied with what colleges offer.

#### REALITY: Fed up—public opinion has soured on higher education.

According to a Pew Research Center study, 57 percent of potential students say that the higher-education system fails to provide good value for the cost, and 75 percent say college is simply unaffordable.<sup>1</sup>

A public opinion survey commissioned by the Texas Public Policy Foundation was conducted in late 2010 by Baseline and Associates. The survey finds that Texans strongly believe that the state's public colleges and universities can reduce their operating costs while improving teaching.

The survey finds:

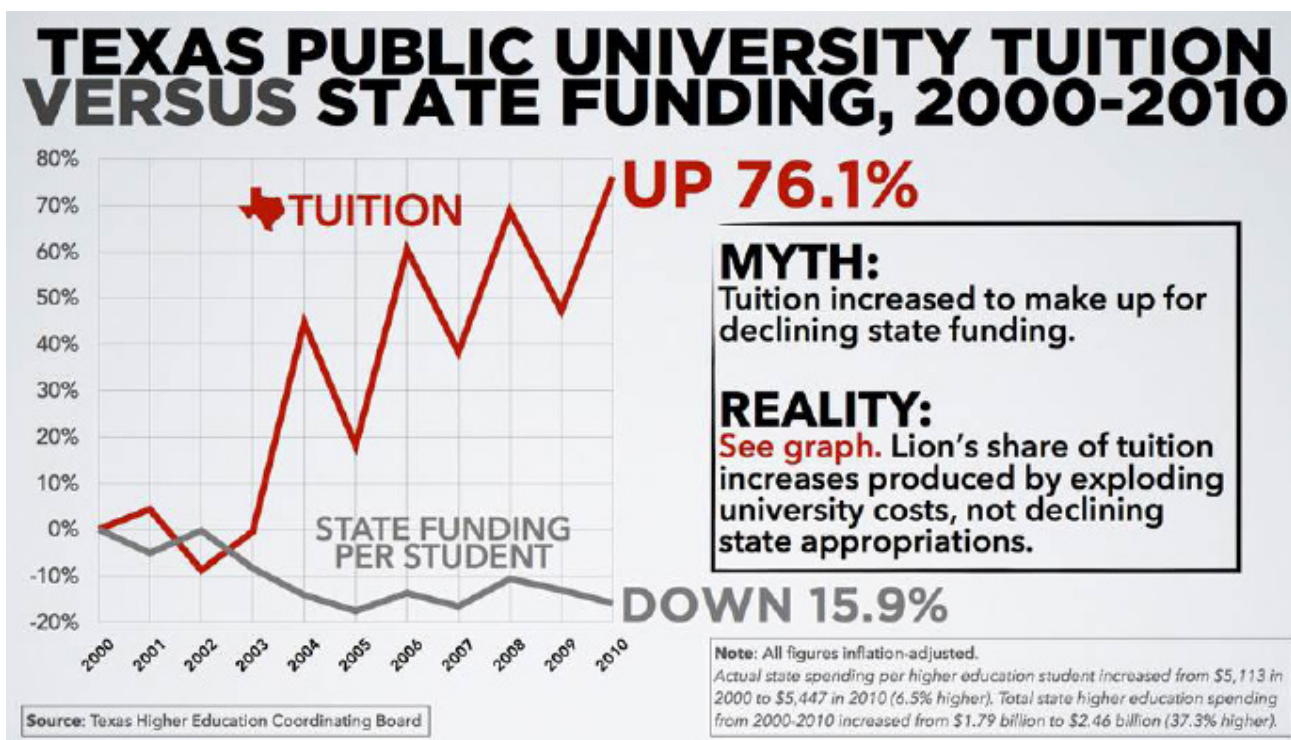
- Eighty percent of Texas voters think Texas colleges and universities can be run more efficiently, with 50 percent strongly believing so.
- Seventy-one percent of voters—44 percent strongly—believe that Texas colleges and universities can improve teaching while reducing operating costs.
- Eighty-seven percent of Texans believe that the most important purpose of a university is to educate students, while only 6 percent say it is to conduct research.
- By a margin of 81 percent to 14 percent, respondents believe that tuition dollars should be used to teach students and not be used to subsidize research.
- Eighty-seven percent of voters believe that college professors should be required to teach in the classroom at least six hours per week (9 percent disagree).
- When asked how universities should deal with budget shortfall, the **top three choices** of voters were:
  1. Reduce administrative overhead,
  2. Delay new facilities, and
  3. Require professors to teach more students and do less research.

*continued*

- Raising tuition or taxes were the **least favorable options**, at 6 percent and 10 percent respectively.
- Eighty-one percent believe that colleges and universities can be run more efficiently.
- Ninety percent of voters believe there should be measurements in place to determine the effectiveness of the education delivered and material learned by students at colleges and universities, while only 7 percent disagreed.
- Eighty-five percent of voters believe that if they were students they could effectively evaluate the job the professor did at teaching them. Only 10 percent felt they could not.

## MYTH #2: In Texas and nationwide, tuitions had to rise to make up for state cuts in higher education.

**REALITY:** From 2000-2010, Texas higher-education funding fell 15.9 percent. But average tuition and fees collected jumped 76.1 percent. In truth, there have been mild decreases in legislative funding accompanied by wild increases in university spending (see below).



## MYTH #3: Possessing a college degree guarantees you've learned something.

**REALITY:** Poor student learning has become a national scandal.

We now know that large numbers (36%) of U.S. college students fail to master the skills they need to compete in the global marketplace.<sup>2</sup>

The landmark 2011 national study, *Academically Adrift*, employed the Collegiate Learning Assessment to measure what undergraduates learn after four years invested in college. The study's findings are alarming:

- “Growing numbers of students are sent to college at increasingly higher costs, but for a large proportion of them, the gains in critical thinking, complex reasoning and written communication are either exceedingly small or empirically non-existent.”<sup>3</sup>
- “At least 45 percent of students in ... [the] sample did not demonstrate any statistically significant improvement in CLA performance during the first two years of college.”<sup>4</sup>
- Thirty-six percent of students did not demonstrate any significant improvement in learning over four years in college.<sup>5</sup>
- For many years, America led the way in higher education degree attainment. But recent data from the Organization of Economic Cooperation and Development (OECD) indicate that the U.S. is ranked 12th among major industrialized nations in higher education attainment.<sup>6</sup>
- On the state level, in March 2012, the *Washington Post*, through a public records request, found that the University of Texas-Austin scores in the 23rd percentile among peer institutions on the Collegiate Learning Assessment; that is, 77 percent of UT's competitors score higher.<sup>7</sup>

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- According to Harvard economists Lawrence Katz and Claudia Goldin, the average skill level of the U.S. workforce has stagnated since the mid '70s. The median worker in the U.S. labor force today has a high school diploma plus just over one year of post-high school education. They conclude that as the well-educated baby-boomer generation retires, the U.S. is in serious danger of losing its productivity edge.<sup>9</sup>
- Patrick Callan, of the National Center for Higher Education and Public Policy, notes, “In the 1990s ... other nations began making the kinds of dramatic gains that had characterized American higher education earlier. In contrast ... [f]or most of the 1990s the U.S. ranked last among 14 nations in rising college participation rates. ...”<sup>10</sup>
- The Accrediting Council for Independent Colleges and Schools recently surveyed 1,000 employers in various industries and more than half of the employers said “finding qualified applicants is difficult. ...”<sup>11</sup>

#### MYTH # 4: Federal education funds go to poor students.

**REALITY: The lowest levels of taxpayer support go to the schools that enroll the highest percentage of low-income and minority students—the fastest growing segments of the population.**

The American Enterprise Institute issued a study in October of 2011, titled, *Cheap for Whom? How Much Higher Education Costs Taxpayers*. Among its findings:

- “Average taxpayers provide more in subsidies to elite public and private schools than to the less competitive schools where their own children are likely being educated.”<sup>12</sup>
- “Among not-for-profit institutions, the amount of taxpayer subsidies hovers between \$1,000 and \$2,000 per student per year until we turn to the most selective institutions. ... Among these already well-endowed institutions, the taxpayer subsidy jumps substantially to more than \$13,000 per student per year.”<sup>13</sup>
- Stated differently: “the lowest levels of taxpayer support [go] to the institutions that enroll the highest percentage of low-income, nontraditional, and minority students—the fastest growing segments of the population.”<sup>14</sup>

**MYTH #5: The cost of college tuition has increased no faster than other goods.****REALITY: Tuition prices have skyrocketed, increasing faster than both inflation and health care costs.**

Below are the average in-state costs for undergraduate tuition and fees in Texas, and the average in-state tuition and fees in the United States for the school years 1994-95 and 2009-10.

**Table 1: Average in-state tuition and fees at four-year public schools**

	Texas	United States
1994-95 <sup>15</sup>	\$5,177	\$6,670
2009-10 <sup>16</sup>	\$13,764	\$15,014

- The Texas Higher Education Coordinating Board states: “From fall of 2003 through 2009 the statewide average total academic charges for a student taking 15 semester credit hours at a public university has increased by 72 percent.”<sup>17</sup>
- According to a recently published piece by Dr. Richard Vedder, economist from Ohio University, “In 2009, spending by Americans for post-secondary education totaled \$461 billion, an amount 42 percent greater than in 2000, after accounting for inflation.<sup>18</sup> This \$461 billion is the equivalent of 3.3 percent of total U.S. gross domestic product (GDP) and an amount greater than the total GDP of countries such as Sweden, Norway, and Portugal.”<sup>19</sup>
- Tuition has increased four times faster than the consumer price index and outstripped growth in health care spending.<sup>20</sup>
- Over a 20-year period—1990 to 2010—the cost of tobacco products rose 378 percent and college tuition and fees were up 286 percent, the American Institute for Economic Research found in a study.<sup>21</sup>
- Beginning in the 1980s, college funding shifted from a high-appropriation, low-tuition model to a high-tuition, high-student aid model. In 2010-11, public four-year, in-state tuition and fees averaged \$7,605 and total academic expenses for one year averaged \$16,140. At private four-year schools, that average was \$36,993. Families can now expect to pay about \$65,000 for a public four-year degree and nearly \$150,000 for a private four-year degree.<sup>22</sup> The median and average price of *new* homes sold in the United States as of October 2011 was \$212,300 and \$242,300 respectively.<sup>23</sup>
- A recent report by the educational lender Sallie Mae, titled, *How America Pays for College 2012*, demonstrates that the college-affordability crisis has begun to affect not only the public’s attitude but also its behavior. Based on a survey of 1,600 18 to 24 year-old college students and their parents, the report provides a plethora of examples of increased cost-consciousness. The average amount students and their families are paying for college has fallen for two consecutive 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.”<sup>24</sup>

**MYTH #6: Student-loan debt has increased no faster than other forms of debt.****REALITY: For the first time in history, total student-loan debt is higher than credit-card debt, reaching 1.1 trillion dollars.<sup>25</sup>**

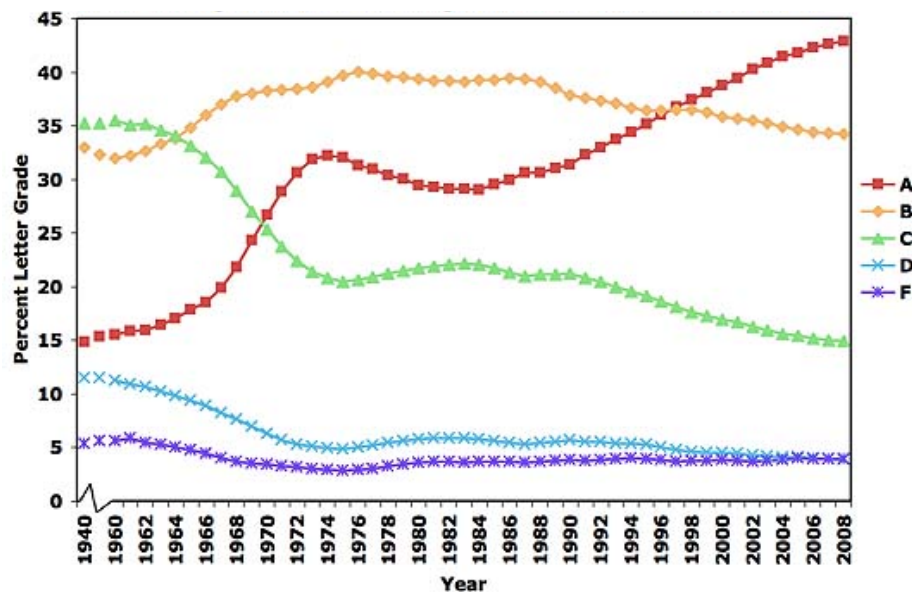
- The class of 2010 graduated with an average of \$25,250 in debt, and faced an unemployment rate of 9.1 percent.<sup>26</sup> According to the Project on Student Debt, students graduating in 2012 averaged \$29,000 in outstanding loans, which, with interest, could approach \$40,000.

- According to a 2013 Fidelity survey of 750 college graduates, between ballooning student loans, credit cards and money owed to family members, they are facing an average \$35,200 in college-related debt.<sup>27</sup>
- The Educational Credit Management Corporation reports that about 72,000 federal student-loan borrowers filed for bankruptcy in 2008.
- “Two-thirds of bachelor’s degree recipients graduated with debt in 2008, compared with less than half in 1993.”<sup>28</sup>
- Today, 11.7 percent of students are at least 90 days late on payments.<sup>29</sup>
- The buying power of students with high student loan debt is diminished upon graduation, “If you have a lot of people finishing or leaving school with a lot of debt, their choices may be very different than the generation before them. Things like buying a home, starting a family, starting a business, saving for their own kids’ education may not be options for people who are paying off a lot of student debt.”<sup>30</sup>

### MYTH #7: A’s and B’s are a mark of distinction in college, with C’s signifying average performance.

**REALITY:** As a result 50 years of grade inflation, A’s now are the most common grade given in college (43 percent). A’s and B’s together constitute 73 percent of all college grades.

Distribution of grades at American colleges and universities as a function of time



Source: *Teachers College Record* Volume 114 Number 7 (2012) 1-23, <http://www.tcrecord.org>

“Where an A is Ordinary,”<sup>31</sup> a multi-decade study of college grading conducted by Stuart Rojstaczer, a former Duke University geophysics professor, and Christopher Healy, an associate professor of computer science at Furman University in South Carolina, yields the following findings:

- “Contemporary data indicate that, on average across a wide range of schools, A’s represent 43 percent of all letter grades, an increase of 28 percentage points since 1960 and 12 percentage points since 1998.”
- “D’s and F’s total less than 10 percent of all letter grades.”



- “Private colleges and universities give, on average, significantly more A’s than B’s combined than public institutions with equal student selectivity.”
- “There is no indication that the rise in grades at public and private schools has been accompanied by an increase in student achievement.”
- “In the 1930s, the average GPA at American colleges and universities was about 2.35. ... By the 1950s, the average GPA was about 2.52. GPAs took off in the 1960s with grades at private schools rising faster than public schools, lulled in the 1970s, and began to rise again in the 1980s at a rate of about 0.10 to 0.15 increases in GPA per decade. The grade inflation that began in the 1980s has yet to end.”<sup>32</sup>
- At A&M in 1985, the researchers say, 26 percent of grades given in undergraduate courses were A’s compared with 39 percent in 2011. At Texas State in 1960, 14 percent of grades were A’s; the tally in 2007 was 34 percent, the researchers say. Healy said that at both institutions, the prevalence of A’s slightly trailed national averages.<sup>33</sup>
- “Arthur Levine, president of the Woodrow Wilson National Fellowship Foundation and former president of Teachers College at Columbia University ... has incorporated surveys of students about their GPAs into his own work. In 1969, 7 percent of surveyed students at two- and four-year colleges said their GPA was A-minus or higher. Levine found that by 2009, 41 percent of students reported as much.”<sup>34</sup>
- Rojstaczer and Healy’s analysis leads them to a disquieting conclusion: “When college students perceive that the average grade in a class will be an A, they do not try to excel. It is likely that the decline in student study hours, student engagement, and literacy are partly the result of diminished academic expectations.”<sup>35</sup>

#### **MYTH #8: The effort to craft \$10,000 college degrees is impossible.<sup>36</sup>**

**REALITY: Today, \$10,000 degrees are offered by over a dozen Texas public universities. As a result, \$10K degrees are now also being pushed in Florida, Oklahoma, California, and Oregon.<sup>37</sup>**

- Within a year of Governor Rick Perry’s challenge to Texas public colleges and universities to offer 10 percent of all degrees at no more than \$10,000 (tuition and books for four years), Texas A&M-San Antonio made history when it announced a partnership with the Alamo Colleges community-college system and neighboring high schools to offer a four-year bachelor’s degree in applied arts and sciences in information technology, with an emphasis on information security. The entire degree will cost \$9,672, not including the price of books.<sup>38</sup>
- “While a new report puts the average debt load of new college grads at a stomach-churning \$35,200, the Georgia Institute of Technology is rolling out an alternative program experts say offers a beacon of hope for both students and employers: A three-year master’s degree in computer science that can be earned entirely online—and that will cost less than \$7,000. ... The school is partnering with Udacity, a for-profit provider of MOOC (massive open online course) education, and AT&T, which is contributing \$2 million and will provide connectivity tools and services. ‘We believe this program can establish corporate acceptance of high-quality and 100 percent online degrees as being on par with degrees received in traditional on-campus settings,’ a statement from the school says.”<sup>39</sup>

The quick spread of the \$10,000-degree movement documented above is easy to understand in light of the public’s increasing desperation over the cost of college. A recent study conducted by the educational lender Sallie Mae, titled, *How America Pays for College 2012*, surveyed 1,600 college students between the ages of 18 to 24 years old, as well as their parents. The report documents numerous and growing examples of increased cost-consciousness.<sup>40</sup>

- “Drawing from savings, income and loans, students paid 30 percent of the total bill, up from 24 percent four years ago, while parents covered 37 percent of the bill, down from 45 percent four years ago.

- “The percentage of families who eliminated college choices because of cost rose to the highest level (69%) in the five years since the study began. Virtually all families exercised cost-savings measures, including living at home (51%), adding a roommate (55%), and reducing spending by parents (50%) and students (66%).
- “In 2012, families continued the shift toward lower-cost community college, with 29 percent enrolled, compared to 23 percent two years ago. In fact, overall, families paid 5 percent less for college compared to one year ago.
- “Thirty-five percent of students borrowed education loans to pay for college: 25 percent borrowing federal loans only, 9 percent using a mix of federal and private loans, and 1 percent tapping private loans only.<sup>41</sup>
- The report finds that the amount paid for college has fallen in each of the last 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.”<sup>42</sup> 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. Also noteworthy is the fact that the increase in cost-consciousness appears most pronounced at the highest income levels. The percentage of students from high-income families opting to live at home has nearly doubled in only two years: rising from 24 percent in 2010 to 47 percent in 2012.<sup>43</sup>

### MYTH #9: Most students still attend four-year residential colleges and universities full time.

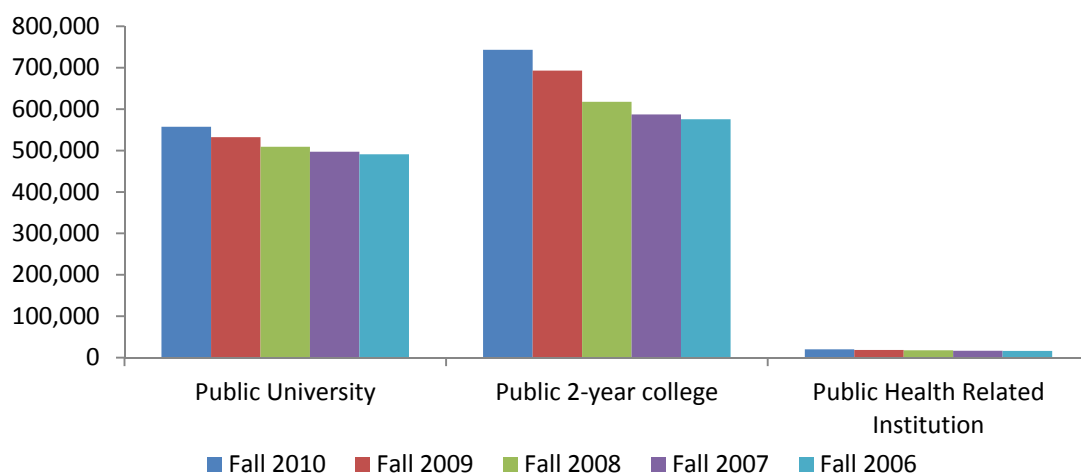
**REALITY: Non-traditional students now form the majority of college students. More than half of students enrolled are over 25; about one-third work full time while taking courses.<sup>44</sup>**

American higher education today educates more than 18 million students in more than 4,300 degree granting institutions. Educational expectations have been on the rise with more than 90 percent of high school students expecting to attend college.<sup>45</sup>

Public institutions of higher education (two-year, four-year, and health-related) serve roughly 91 percent of the approximately 1.4 million students pursuing higher education in Texas presently.<sup>46</sup>

In spite of the rising costs, enrollment at Texas universities has increased from the fall of 2006 to the fall of 2010—at both four-year public universities and two-year public community colleges.

### Enrollment information statewide public four-year universities, public two-year universities<sup>47</sup>



According to a report issued in 2006, of the nation's nearly 14 million undergraduates, "more than 4 in 10 attend two year community colleges. Nearly one-third are older than 24 years old. Forty percent are enrolled part time."<sup>48</sup>

**Texas statewide graduation rates 2006-2009: four, five, and six year<sup>49</sup>**



"Approximately 57 percent of first-time students who sought a bachelor's degree, or its equivalent, and enrolled at a four-year institution full time in the fall of 2002, completed their degree within six years. By comparison, 55 percent of students in an analogous cohort who began their bachelor's degree in the fall of 1996 graduated within six years."<sup>50</sup>

Students with a bachelor's degree will see greater income in their lifetime. According to a study published by Georgetown University "individuals with a bachelor's degree now make 84 percent more over a lifetime than those with only a high school diploma, up from 75 percent in 1999. Today, bachelor's degree holders can expect median lifetime earnings approaching \$2.3 million. By comparison, workers with just a high school diploma average roughly \$1.3 million, or about \$15 an hour."<sup>51</sup>

In the United States since 1990, the average earnings of a high school graduate actually fell in real terms by 2 percent, while those of college graduates rose by 10 percent. Currently in the United States, individuals who hold an associate degree earn 20-30 percent more than those who only have a high school diploma. A bachelor's degree holder earns 70-75 percent more.<sup>52</sup>

## **MYTH #10: Most college students graduate in four years.**

**REALITY: Less than half of first-time, full-time students complete their four-year degrees within six years or two-year degrees within three years. Completion rates for minority students are still lower.<sup>53</sup>**

According to the U.S. Department of Education, the average full-time student in public universities in Texas takes 5.3 years to graduate.

The graduation rates at Texas' two flagship universities, Texas A&M and UT Austin are just above 50 percent—50.7 percent and 53 percent respectively.<sup>54</sup>

A recent survey conducted by Complete College America found the following:<sup>55</sup>



- By 2020, 60 percent of jobs will require either a career certificate or two-year or four-year college degree.
- Thirty-one percent of Texas adults currently have an associate degree or higher.
- Based on the above, there is a skills gap of 29 percent in Texas.

### **MYTH #11: Administrative costs have remained steady, and have not contributed to skyrocketing tuitions and student debt.**

**REALITY: Administrative expenses have exploded: Forty years ago, U.S. colleges employed more faculty than administrators. But today, teachers make up less than half of college employees.<sup>56</sup>**

According to Benjamin Ginsberg's 2011 study, *The Fall of the Faculty: The All-Administrative University and Why It Matters*, "Forty years ago ... the efforts of 446,830 professors were supported by 268,952 administrators and staffers. Over the past four decades, though, as the number of full-time professors increased slightly more than 50 percent ... the number of administrators and administrative staffers employed by those schools increased by an astonishing 85 percent and 240 percent, respectively."<sup>57</sup>

"Between 1975 and 2000, the number of administrators and managers employed by public institutions increased by 66 percent. During the same time period, though, the number of administrators employed by private colleges and universities grew by 135 percent."<sup>58</sup>

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."<sup>59</sup>

From 1998 and 2003, deans and vice presidents saw their salaries increase as much as 50 percent.<sup>60</sup> "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 12 earned over \$1 million."<sup>61</sup>

A *Chronicle of Higher Education* survey of public universities shows UT-Austin with two of the highest paid officials in the U.S. (numbers 2 and 3, at \$750,000 and \$746,738). The *Chronicle* notes such administrators must take a careful path 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."<sup>62</sup>

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- Related to the above myth is the notion that "to help hold the line on tuition, universities have begun to cut back on administrative bloat." In reality, the tuition-and-debt crisis has not restrained spending on administration. The Higher Education Employment Report, finds "colleges and universities continued to focus more on hiring administrators and executives over faculty in Q1 2012, although the rate of change has slowed."
- Instead of focusing on teaching resources and salaries, schools have instead chosen to focus on hiring executives, administrators, and administrative supporters. In the first quarter of 2013, only 30.8 percent of the jobs posted at colleges and universities were for faculty, whereas 69.5 percent of the jobs posted were for administrators and executives.<sup>63</sup> While this rate has slowed, emphasis on hiring higher education bureaucrats continues.
- The University of Texas-Austin has one of the highest rates of administrative spending to student tuition, with \$5,158 of total tuition going to fund administrative costs.<sup>64</sup> Rather than cutting back on administrative budgets, higher education institutions have grown administrations and increased tuition to deal with exorbitant costs.

## MYTH #12: Online learning is a fad that will never significantly change the face of higher education.

**REALITY: By 2015, 25 million postsecondary students will take online courses. The number of students studying on physical campuses alone will fall from 2010's 14.4 million to 4.1 million in 2015.<sup>65</sup>**

The past decade has witnessed enormous growth in online learning programs and enrollments of students.

- “The rate of growth in online enrollments is 10 times that of the rate in all higher education,” writes the study’s co-author and Professor of Statistics & Entrepreneurship at Babson College, I. Elaine Allen.<sup>66</sup>
- According to the survey’s web site, 31 percent of higher education students currently are enrolled in one or more online courses. Over six million students are enrolled in at least one online course during the fall 2010 term, an increase of 560,000 students over the previous year.
- The real weight of this number is illuminated by the fact that the 10 percent growth rate for online enrollments far exceeds the two percent growth in the overall higher education student population.
- Student satisfaction is comparable for online and traditional courses, according to the academic leaders surveyed.
- Two-thirds of the higher education institutions surveyed testified that online education today has become critical to their long-term education strategy.<sup>67</sup>
- Thirty-one percent of all higher education students now take at least one course online.<sup>68</sup>
- Online education is making its presence felt not only at the college, but also the K-12, level. Education experts Clayton Christensen and Michael Horn predict that, by 2019, 50 percent of all courses for grades 9-12 will be taken online—“the vast majority of them in blended-learning school environments with teachers, which will fundamentally move learning beyond the four walls and traditional arrangement of today’s all-too-familiar classroom.”
- Another prediction comes from former U.S. Secretary of Education Margaret Spellings. In a September 2012 speech, she declared that, “by 2015, the number of students who are taking classes exclusively in physical brick-and-mortar spaces will shrink by two-thirds.”
- Some members of the Pennsylvania House of Representatives get it. Among a suite of cost-cutting measures they proposed in 2012 was HB 2444, a bill that would impose a two-year moratorium on “certain new construction, maintenance and renovation projects” for public higher education. The bill died last summer, but its rationale grows only more powerful.

At universities where online course or degree programs are offered, they have seen their enrollment numbers dramatically increase. Some of the great examples of the benefits of making courses and degree plans available online can be seen already in Texas and around the nation.

- UT-Arlington’s nursing program, RN to BSN online program, saw enrollment grow from 187 to 3,721 in 18 months.
- UT-Arlington Graduate College of Education grew over 1,000 percent in 18 months to 1,748.
- Lamar University, Graduate College of Education, grew from 226 to over 4,200 in 18 months.
- Arizona State University has been able to triple its enrollment by adding 100,000 online students.
- Western Governors University is a not-for-profit accredited college that offers online degrees and courses. Students’ ability to obtain a degree is determined by their competency in passing academic assessments that measure skills and knowledge of the subject matter. On this basis, the average WGU graduate receives the bachelor’s degree in two-and-a-half years. Moreover, *WGU’s annual tuition is below \$6,000.*

Additionally, online degree programs have allowed students, largely in the middle class—who suffer the double blow of rising tuitions and ineligibility for grants or tuition assistance—to find an affordable option for their postsecondary education. ★

## Endnotes

<sup>1</sup> Pew Research Center "Is College Worth it? College Presidents, Public Assess, Value, Quality and Mission of Higher Education" (15 May 2011).

<sup>2</sup> Richard Arum and Josipa Roska, *Academically Adrift*, University of Chicago Press (2011) 121.

<sup>3</sup> *Ibid.*, 121.

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*

<sup>7</sup> Daniel de Vise, "Trying to assess learning gives colleges their own test anxiety" *Washington Post* (14 Mar. 2012).

<sup>8</sup> Vance McMahan and Mario Loyola, U.S. Chamber of Commerce and Institute for a Competitive Workforce; "College 2.0: Transforming Higher Education through Greater Innovation and Smarter Regulation" (May 2011).

<sup>9</sup> *Ibid.*, 8.

<sup>10</sup> *Ibid.*, 123.

<sup>11</sup> Lacey Johnson, *Chronicle of Higher Education* "Employers Say Graduates Lack Job Skills" (Dec. 2011).

<sup>12</sup> Mark Schneider and Jorge Klor de Alva American Enterprise Institute "Cheap for Whom? How Much Higher Education Costs Taxpayers" (Oct. 2011).

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.* Emphasis supplied.

<sup>15</sup> National Center for Education Statistics Average Undergraduate Tuition and Fees Average undergraduate tuition and fees and room and board rates paid by students in institutions of higher education, by control of institution and by state: 1994-95 and 1995-96.

<sup>16</sup> National Center for Education Statistics Average undergraduate tuition and fees and room and board rates charged for full-time students in degree-granting institutions, by type and control of institution and state or jurisdiction: 2008-09 and 2009-10.

<sup>17</sup> Texas Higher Education Coordinating Board Overview Tuition Deregulation (Apr. 2010).

<sup>18</sup> National Center for Education Statistics Expenditures of educational institutions related to the gross domestic product, by level of institution: Selected years, 1929-30 through 2009-10.

<sup>19</sup> Richard Vedder and Matthew Denhart, CNN "Why Does College Cost so Much?" (Dec. 2011).

<sup>20</sup> Vance McMahan and Mario Loyola, U.S. Chamber of Commerce and Institute for a Competitive Workforce; "College 2.0: Transforming Higher Education through Greater Innovation and Smarter Regulation" (May 2011) 7.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> U.S. Census; Median and Average Home Price of New Homes Sold in the United States January 1963 through October 2011.

<sup>24</sup> [https://www1.salliemae.com/about/news\\_info/research/how\\_america\\_pays](https://www1.salliemae.com/about/news_info/research/how_america_pays) (2012) 6.

<sup>25</sup> [http://files.consumerfinance.gov/f/201305\\_cfpb\\_fact-sheet\\_students-monthly.pdf](http://files.consumerfinance.gov/f/201305_cfpb_fact-sheet_students-monthly.pdf).

<sup>26</sup> The Institute for College Access and Success, Student Debt and the Class of 2010.

<sup>27</sup> <http://money.cnn.com/2013/05/17/pf/college/student-debt/index.html>.

<sup>28</sup> Tamar Lewin, *The New York Times*, "Burden of College Loans on Graduates Grow" (Apr. 2011).

<sup>29</sup> <http://money.cnn.com/interactive/pf/college/student-loan-delinquency/index.html>.

<sup>30</sup> Tamar Lewin, *The New York Times*, "Burden of College Loans on Graduates Grow" (Apr. 2011).

<sup>31</sup> "Where A Is Ordinary: The Evolution of American College and University Grading, 1940-2009," *Teachers College Record*, Vol. 114 No. 7 (2012) 1-23.

<sup>32</sup> Stuart Rojstaczer, "Grade Inflation at American Colleges and Universities," [gradeinflation.com](http://gradeinflation.com), last modified 10 Mar. 2009.

<sup>33</sup> <http://www.politifact.com/texas/statements/2013/jan/31/thomas-lindsay/thomas-lindsay-says-43-percent-college-grades-are-/>.

<sup>34</sup> *Ibid.*

<sup>35</sup> Stuart Rojstaczer, "Grade Inflation at American Colleges and Universities," [gradeinflation.com](http://gradeinflation.com), last modified 10 Mar. 2009.

<sup>36</sup> "Andy Brown says nobody in higher education believes \$10,000 bachelor's degree is possible," *PolitiFact Texas*, *Austin American-Statesman* (22 Feb. 2011).

<sup>37</sup> Current \$10,000 Degree Programs: Using data compiled by the THECB, the *Austin American-Statesman* compiled the following list of \$10,000 degrees:

### **COST OF EDUCATION**

\$34,324: The current average four-year charge for tuition, fees and books at public universities

\$4,740: The current average four-year charge for books at public universities

### **LOW-COST BACHELOR'S DEGREE PROGRAMS AT A GLANCE**

Prices include community college charges, if any, but unless noted, do not include the price of books, which currently cost the average student \$4,740 for a four-year degree program.

**University of Texas of the Permian Basin:** Bachelor's in math, chemistry, computer science, geology and information systems. Tuition and fees for \$10,000 if a 3.0 grade-point average and a 15-credit load are maintained.

**Texas A&M University-San Antonio:** Bachelor of applied arts and sciences with an emphasis on information technology and security. A little less than

\$10,000 for tuition and fees. Eighty-seven credits must be earned through the Alamo community college district, 60 of them for free in high school.

**Sul Ross State University Rio Grande College:** Bachelor's degrees in biology, chemistry and math. Requires 30 dual high school credits, 30 at Southwest Texas Junior College and 60 at Sul Ross. Students who maintain a 3.0 GPA and a 15-credit load will receive deferred grant aid totaling \$2,122 by the time they graduate, keeping the charge for tuition and fees to \$10,000, including the cost of junior college credits.

**Texas A&M University-Commerce and South Texas College**

Bachelor's in organizational leadership, focusing on business skills. Substantially online. Students advance at their own pace as they master competencies. First-time students could finish in three years for about \$14,000, including electronic texts and other course materials.

**Tarleton State University:** Bachelor's programs in business. About \$10,000 in tuition and fees assuming a mix of credit for previous work experience or training, classes at Tarrant County College, a community college, and upper-division courses at Tarleton's satellite campuses in Fort Worth, Waco or Midlothian.

**Texas A&M University-Texarkana:** Bachelor's degrees in business administration and applied arts and sciences. As low as \$10,605 for tuition and fees, assuming substantial coursework at Texarkana College, a two-year school, plus credit for certain work experience, corporate training or military training.

**Midland College:** Bachelor's in organizational management. About \$10,000 in tuition, fees and books, assuming an associate degree is first earned in a lower-cost program such as criminal justice as opposed to one like information technology with higher fees.

<sup>38</sup> Dr. Carolyn Green is the Director of the Center for Information Technology and Cyber Security and Associate Professor of Computer Information Systems at Texas A&M University-San Antonio. In the past, she served as Interim Provost and Vice President for Academic Affairs at TAMU-SA. In July of 2012, TPPF's Center for Higher Education (CHE) interviewed Dr. Green in order to obtain an on-the-ground account of the genesis and development of the first degree program crafted in response to the governor's challenge.

In the course of the interview, Dr. Green expressed her happiness over the fact that "other schools have made similar efforts to make a college education more affordable. We have published this interview with an eye toward those institutions currently doing feasibility studies of their own as they consider joining the ranks of \$10,000-degree providers. Our hope is that TAMU-SA's example might serve as guidance for other institutions looking for approaches by which to fashion their own distinctive programs. As Dr. Green makes clear in the interview, TAMU-SA succeeded in becoming the founder of the \$10,000 initiative through tapping into its existing strengths and leveraging those strengths through existing relationships in the San Antonio area. Doubtless, other universities have different strengths, relationships, and locales, but what they may find instructive is the creativity with which TAMU-SA wove these variables together to produce a new model.

**Thomas Lindsay [hereafter, "TL"]:** Who was the first person in the campus community to raise the idea of the \$10,000 degree?

**Carolyn Green [hereafter, "CG"]:** The idea of looking at it came out of conversations we had with our colleagues at the Alamo Colleges. We have a long-standing relationship in doing transfer agreements, and I serve on a couple of their information technology program advisory boards. We also work together on a variety of initiatives through the Information Technology Committee of the Greater San Antonio Chamber of Commerce. In looking at how our transfer agreements were working, the question came up, "Is it possible that we are in the ballpark for a \$10,000 degree?" It led to a group of us getting together to look at the details, review the number of hours being taken at each level (i.e., from high school dual credit, to community college, to university), and determine what the tuition and fees cost.

**TL:** When the governor issued the \$10,000-degree challenge in his State of the State Address in February 2011, news accounts reported that it was met with a fair amount of skepticism on the part of the academic community in Texas. Was there similar concern on the part of the members of your working group?

**CG:** I don't remember anyone feeling that way about it. We have always had a goal of keeping our programs affordable for the population we serve. Offering quality programs while keeping costs low is one of the ways we try to help our students.

**TL:** Are there any other degrees you are looking at with the intention of offering them for \$10,000?

**CG:** I am looking at a new transfer plan right now with one of the Alamo Colleges. It's related to health care technology, and we are just now sketching out what the classes will be at the university level. I don't know enough yet to know if it will be in the \$10,000 ballpark.

**TL:** There are a number of other schools that are following your example. Reflecting back on the process of crafting your new degree program, what lessons were learned, and what advice would you have for other universities?

**CG:** Well, for us the key element was our ongoing partnerships with education institutions in our area. I came to the university in 2001 when we were just getting started as a system center under the direction of A&M-Kingsville. From the beginning, we were doing transfer agreements with the Alamo Colleges and the information technology associate degree programs. Working on the transfer plans led to getting to know each other and understanding each other's programs. Those relationships and the fact that many of their [the Alamo Colleges'] students became our students, too, laid the foundation for thinking about our programs and their total costs together: looking at the hours taken and the costs from the students' point of view, that is, as one degree plan rather than as separate pieces. We had a history of students from their programs coming to us, and we were very pleased with their preparation.

The other major element is that the Alamo Colleges have been active in high school dual-credit based programs. We were already aware of their Information Technology and Security Academy (ITSA), a high school dual-credit program taught by San Antonio College instructors. ITSA students come from a variety of San Antonio high schools and go to one of the Alamo Colleges' locations to take their information technology classes. In our review of the costs of the entire transfer plan, Alamo Colleges colleagues told us about the early-college high school programs they work with and the opportunity students have to complete 60 credit hours of dual credit while in high school. The fact that students do not pay tuition and fees for

the dual credit courses makes a significant impact on the total cost of the bachelor degree program. With a transfer plan that incorporated 60 hours of dual credit, 27 hours of community college coursework and 36 hours at the university, we had a path to a bachelor's degree in information security for \$10K.

This doesn't work in all programs. Not all programs would work with transferred credits that come from a more clearly technical type of associate degree. A degree in computer science, for example, involves a body of study that typically would not be in a degree program in applied science. It works very well, however, in information technology.

**TL:** Do you think that in time Texas public higher education will experience a significant increase in the number of \$10,000 degrees offered?

**CG:** I think we will see the emergence of various ways of increasing affordability. I think that there are opportunities for universities to do really innovative things. One of the questions we have been asked is whether we had to sacrifice quality in order to achieve affordability, and the answer is, absolutely not. The transfer plan we have outlined for the affordable information security degree uses the same classes and instructors as our Bachelor of Business Administration degree program in computer information systems, which was a major component in A&M-San Antonio being designated as a National Center of Academic Excellence in Information Assurance Education by the NSA [National Security Agency] and the Department of Homeland Security.

I can see how people would wonder, "Well, how do you do it?" And I think it's good to get the information out about how we achieved this level of affordability. Others may find that they have programs that could use a similar model.

**TL:** When will the first student in this program step onto the San Antonio campus, and when will the first student graduate?

**CG:** Students who follow the program from high school through university will be starting this fall.

**TL:** So, the program's first students would first step onto the San Antonio campus in the fall of 2015 and graduate in spring of 2016?

**CG:** Yes, students starting the program in high school this fall would enroll with us in fall 2015 and could complete their degree by spring or summer 2016, with two long semesters at A&M-SA or two long semesters and a summer.

**TL:** What were some of the most significant obstacles that you faced in the process of developing the new degree program?

**CG:** We really did not encounter any obstacles. We had support from our administration and the Alamo College's administration. The faculty all knew each other and were all interested in finding out what we could do for the students. The main thing was looking at the pieces and figuring out what the total cost was and how the dual credit portion could fit together with what we were doing. These were more technical issues than anything else.

**TL:** What has been the reaction up to this point from students, parents, and the San Antonio community at large?

**CG:** We have had a great response. The IT community group that I work with from the Greater San Antonio Chamber of Commerce has been very supportive. They consider this Affordable Cyber Security Degree a significant accomplishment. One of our goals as a committee is to encourage more people to pursue careers in information security so that we can meet workforce needs. I think the good reception we have received is because people see that the degree plan will make choosing this career path more affordable and feasible for students in the San Antonio area. I have had a number of parents contact me to get more information about how their children could get started in the program.

<sup>39</sup> <http://business.time.com/2013/05/21/the-7000-computer-science-degree-and-the-future-of-higher-education/#ixzz2fwX4b4bH>.

<sup>40</sup> "How America Pays for College 2012: A national study by Sallie Mae and Ipsos."

<sup>41</sup> Ibid. "Telephone interviews about how families paid for college in academic year 2011-12 were conducted with 801 undergraduate college students, ages 18 to 24, and 800 parents of undergraduates."

<sup>42</sup> Ibid., 6.

<sup>43</sup> My thanks to Professor Joshua Hall of Beloit College for calling my attention to this study and to its implications for my thesis regarding the revolution of rising expectations in American higher education.

<sup>44</sup> Vance McMahan and Mario Loyola, U.S. Chamber of Commerce and Institute for a Competitive Workforce; "College 2.0: Transforming Higher Education through Greater Innovation and Smarter Regulation" (May 2011).

<sup>45</sup> Richard Arum and Josipa Roska, *Academically Adrift*, University of Chicago Press (2011) 33.

<sup>46</sup> Legislative Budget Board Staff Financing Higher Education in Texas (Jan. 2011) 1.

<sup>47</sup> Texas Higher Education Coordinating Board: Statewide Enrollments, Fall 2006-Fall 2010.

<sup>48</sup> U.S. Department of Education; *A Test of Leadership: Charting the Future of U.S. Higher Education* (2006).

<sup>49</sup> Texas Higher Education Coordinating Board, Accountability System.

<sup>50</sup> National Center for Higher Education Statistics Fast Facts.

<sup>51</sup> Lumina Foundation, "New Study Finds that Earning Power is Increasingly tied to education: A College degree is critical to economic opportunity" (Aug. 2011), cited by Georgetown University Center on Education and the Workforce.

<sup>52</sup> McKinsey and Company *Winning By Degrees* (Nov. 2010) 19.

<sup>53</sup> Bill and Melinda Gates Foundation "Top 10 Fast Facts About Postsecondary Education" Statistics from the National Center for Education Statistics, 2010 IPEDS Spring 2008: U.S. Department of Education.

<sup>54</sup> Texas Higher Education Coordinating Board, Accountability System.

<sup>55</sup> *Complete College America* "Time is the Enemy" (Sept. 2011).

<sup>56</sup> Benjamin Ginsberg, *Washington Monthly* "Administrators Ate My Tuition" (Sept./Oct. 2011).

<sup>57</sup> "The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters," by Benjamin Ginsberg.



<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

<sup>62</sup> Jack Stripling and Andrea Fuller, *The Chronicle for Higher Education* "Presidents Defend Their Pay as Public Colleges Slash Budgets" (Apr. 2011).

<sup>63</sup> HigherEdJobs.Com employment report:

[http://www.higheredjobs.com/documents/HEJ\\_Employment\\_Report\\_2013\\_Q1.pdf](http://www.higheredjobs.com/documents/HEJ_Employment_Report_2013_Q1.pdf).

<sup>64</sup> Douglas Belkin and Scott Thurm, "Deans List: Hiring Spree Fattens College Bureaucracy—And Tuition." (Dec. 2012).

<sup>65</sup> Learning and Performance Technology Research Taxonomy ... Ambient Insight, Monroe, 2011. ([www.ambientinsight.com/Resources/Documents/AmbientInsight\\_Learning\\_Technology\\_Taxonomy.pdf](http://www.ambientinsight.com/Resources/Documents/AmbientInsight_Learning_Technology_Taxonomy.pdf)).

<sup>66</sup> "Going the Distance: Online Education in the United States, 2011" The Sloan Consortium.

<sup>67</sup> I expand on this topic in "The Future Face of Higher Education: Online Learning in the New Economy," Texas Public Policy Foundation (June 2012).

<sup>68</sup> Elaine Allen and Jeff Seaman Babson Survey Research Group "Going the Distance Online Education in the United States, 2011" (Nov. 2011).

## Additional Resources

*Business Roundtable: Roadmap for Growth, Preparing U.S. Students and Workers to Succeed: Fast Facts*

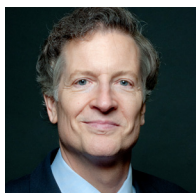
<http://businessroundtable.org/studies-and-reports/roadmap-for-growth-education/>.

Bill and Melinda Gates Foundation, "Top 10 Fast Facts About Postsecondary Education"

<http://www.gatesfoundation.org/postsecondaryeducation/Pages/postsecondary-fast-facts.aspx>.



## About the Author



**Tom Lindsay, Ph.D.**, is director of the Foundation's Center for Higher Education. He has more than two decades' experience in education management and instruction, including service as a dean, provost, and college president.

In 2006, Lindsay joined the National Endowment for the Humanities (NEH) staff as director of the agency's signature initiative, *We the People*. He was named Deputy Chairman and COO of the NEH in 2007.

Lindsay received his B.A., *summa cum laude*, in Political Science, and went on to earn his M.A. and Ph.D. in Political Science from the University of Chicago. Oxford University Press recently published Lindsay's American Government college textbook, *Investigating American Democracy* (with Gary Glenn). He has published numerous articles on the subject of democratic education, many of which have appeared in the world's most prestigious academic journals, including the *American Political Science Review*, the *Journal of Politics*, and the *American Journal of Political Science*.

In recognition of his scholarship, he was made the 1992-93 Lynde and Harry Bradley Resident Scholar at the Heritage Foundation in Washington, D.C.

## About the Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institute. The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach.

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