

# 2019-20 Legislature Update:



## *Debunking the Top Myths Regarding Higher Education*

October 2018  
Thomas K. Lindsay, Ph.D.

## October 2018

by Thomas K. Lindsay, Ph.D.

Center for Innovation in Education  
Texas Public Policy Foundation



## Table of Contents

Key Points.....	3
Myth 1.....	3
Myth 2.....	4
Myth 3.....	5
Myth 4.....	7
Myth 5.....	8
Myths 6 & 7.....	9
Myths 8 & 9.....	10
Myths 10 & 11.....	11
References.....	13

### Note

- Note: For the past seven years, the Texas Public Policy Foundation has updated this “Higher Education: Myths and Realities” primer in preparation for each upcoming session of the Texas Legislature. This edition addresses the 86th Texas Legislature, which convenes in January 2019.
- While Texas’ debate over public higher education has garnered a great deal of state press coverage in the last decade, this is by no means a Texas issue alone.
- As the statistics below demonstrate, skyrocketing tuitions and student-loan debt, suppression of free speech and debate, 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 such—and rebutted.

# 2019-20 Legislature Update: *Debunking the Top Myths Regarding Higher Education*

by Thomas K. Lindsay, Ph.D.

## Key Points

- Across the country, including Texas, an alarming number of universities have earned the worst rating (“Red Light”) for free speech protection.
- College tuition prices have skyrocketed, increasing faster than both inflation and health care costs.
- Texas launched the first Affordable Baccalaureate Program in 2014. All public colleges and universities should adopt it.
- By 2015, 25 million postsecondary students had taken online courses. The number of students studying on physical campuses alone fell from 2010’s 14.4 million to 4.1 million in 2015.

### **MYTH #1:**

*Our public universities are fulfilling their constitutional obligation to protect the First Amendment on their campuses.*

### **REALITY:**

*Across the country, including Texas, an alarming number of universities have earned the worst rating (“Red Light”) for free speech protection.*

According to “[Spotlight on Speech Codes 2018: The State of Free Speech on Our Nation’s Campuses](#),” published by the nonpartisan, free-speech watchdog, the Foundation for Individual Rights in Education (FIRE):

1. Texas has five public universities that have earned [FIRE’s worst rating](#) for free speech:
  - [The University of Texas at Austin](#),
  - [The University of Texas at Dallas](#),
  - [The University of Houston](#),
  - [The University of North Texas](#), and
  - [Sam Houston State University](#).
2. “Just under one-third (32.3 percent) of surveyed institutions received FIRE’s lowest, [red light rating](#) for maintaining speech codes that clearly and substantially restrict freedom of speech. This year’s figure is seven percentage points lower [than last year](#) and almost 42 percentage points lower than [in FIRE’s 2009 report](#).”
3. “Most institutions—58.6 percent—receive a [yellow light rating](#). Yellow light policies restrict narrower categories of speech than red light policies do, or are vaguely worded in a way that could too easily be used to suppress protected speech, and are unconstitutional at public universities.”
4. “Thirty-five institutions earned FIRE’s highest, [green light rating](#) for free speech. Since this year’s report was written, two more universities have earned green light status, bringing the total to 37. Only eight

institutions earned this rating in the 2009 report.

5. “Approximately one in ten institutions maintain a ‘free speech zone’ where student demonstrations and other expressive activities are limited to small or out-of-the-way areas on campus.
6. “Twenty-seven schools or faculty bodies (up seven from last year) have adopted statements in support of free speech modeled after the one adopted by the University of Chicago in January 2015. **[Editor’s note: Since the publication of FIRE’s report, the number of institutions that have adopted Chicago-style support of free speech has risen to 34. Unfortunately, Texas schools have yet to do this.]**
7. “Fully 30 percent of institutions maintain some form of bias response team, specifically tasked with identifying ‘bias’ and ‘hate speech’ on campus. These teams can rely on students anonymously reporting other students for speech which, though subjectively seen as ‘offensive,’ is often fully protected speech. More than half of private institutions surveyed have implemented bias response teams.” ([Foundation for Individual Rights in Education](#))

**MYTH #2:**

*College tuition and student-loan debt have increased no faster than other goods and forms of debt.*

**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 2013-14.

**Table 1.** Average in-state tuition and fees at 4-year public schools

	Texas	United States
1994-95	\$5,177	\$6,670
2013-14	\$13,764	\$24,706

The Texas Higher Education Coordinating Board (THECB) states: “From fall of 2003 through fall 2015, the statewide average total academic charges for a

Total student-loan debt is higher than credit card debt or auto-loan debt and reached 1.5 million dollars in 2018 ([Lobosco](#)).

student taking 15 SCHs [semester credit hours] at a public university has increased by 119 percent” ([THECB 2016](#)).

- According to a 2011 study by Dr. Richard Vedder, economist from Ohio University, “In 2009, spending by Americans for post-secondary education totaled \$461 billion, an amount 42% greater than in 2000, after accounting for inflation” ([Vedder and Denhart](#)).
- “This \$461 billion is the equivalent of 3.3% of total U.S. gross domestic product (GDP) and an amount greater than the total GDP of countries such as Sweden, Norway and Portugal” ([Vedder and Denhart](#)).
- Tuition has increased four times faster than the consumer price index and outstripped growth in health care spending ([McMahan and Loyola](#)).
- 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. The median and average prices of *new* homes sold in the United States as of October 2011 were \$212,300 and \$242,300 respectively (2011 U.S. Census).
- Recent data reveal these numbers have increased to a median of \$284,000 and an average of \$353,600 as of August 2016 (2016 U.S. Census).
- A 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” ([Sallie Mae 2012a, 6](#)).

- According to the Project on Student Debt, students graduating in 2012 averaged \$29,000 in outstanding loans, which, with interest, could approach \$40,000 ([Institute for College Access and Success](#)).
- A 2013 Fidelity survey of 750 college graduates shows that between ballooning student loans and credit cards and money owed to family members, they are facing an average \$35,200 in college-related debt ([Fidelity](#)).
- 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” ([SASFAA, 35](#)).
- On January 13, 2017 (just one week before the Obama administration exited D.C.), the Obama Department of Education released a memorandum confessing that it had “overstated student loan repayment rates at most colleges and trade schools.” The “updated numbers” provided by the Department were analyzed by the [Wall Street Journal](#)’s staff, who found that the new data “revealed that the Department previously had *inflated the repayment rates* for 99.8% of all colleges and trade schools in the country” ([Lindsay 2018](#); emphasis supplied).
- Higher education analyst Erin Velez’s research finds that “even among those who borrowed only for their undergraduate education ... *only half of students* had paid off all their federal student loans 20 years after beginning college in 1995–96.” Instead, average borrowers in “this group *still owed approximately \$10,000* in principle [*sic*] and interest, about half of what was originally borrowed, 20 years after beginning college” ([Lindsay 2018](#); emphasis in original).
- “The number of Americans severely behind on payments on federal student loans reached roughly 4.6 million in the third quarter [of 2017], a doubling from four years ago, despite a historically long stretch of U.S. job creation and steady economic growth.

- “In the third quarter alone, the count of such defaulted borrowers—defined by the government as those who haven’t made a payment in at least a year—grew by nearly 274,000, according to Education Department data released Tuesday.
- “The total number of defaulted borrowers represents about 22% of the Americans who were required to be paying down their federal student loans as of Sept. 30. That figure has increased from 17% four years earlier” ([Mitchell](#)).
- 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” ([Essig](#)).

### MYTH #3

*The effort to craft a “\$10,000 Degree” (Affordable Baccalaureate Program) is impossible.*

### REALITY

*Three years after envisioning it, Texas launched the first Affordable Baccalaureate Program.*

- In his 2011 State of the State Address, then-Texas Gov. 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.
- 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.
- 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.
- 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 ([Perry](#)).
- Three years later (2014), three higher education partners—Texas A&M University-Commerce, South

Texas College, and THECB—launched a program that fully met the governor’s vision: the “[Texas Affordable Baccalaureate](#)” (TAB) Program, Texas’ 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 ([Council for Adult & Experiential Learning](#)).
- On January 20, 2016, AT&T President Dave Nichols, Texas State Comptroller Glenn Hegar, and 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 ([Texas Higher Education Foundation](#)).
- In March 2017, the THECB announced the award of more than \$650,000 to four public institutions for expansion of the TAB program. Recipients are Texas A&M University-Corpus Christi, Tarleton State University, South Texas College (in partnership with Austin Community College), and Texas A&M University-Commerce. The funds awarded will support the planning, development, and implementation of the institutions’ new affordable baccalaureate programs. “The Texas Affordable Baccalaureate is a cost-effective option to provide greater socioeconomic mobility for a greater number of Texans,” said Commissioner of Higher Education Raymund Paredes. “The state must continue to innovate and provide cost-effective, high-quality education that meets the needs of an ever-changing global economy while providing greater opportunity and prosperity for Texans. The Coordinating Board welcomes these four new programs” ([THECB 2017](#)).
- 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 could prove a godsend and, in the process, bolster the state’s progress toward its 60X30TX goals ([Paredes](#)).

### Outside Texas

- “While a [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” ([Georgia Tech College of Computing](#)).
- The rise 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 18- to 24-year-old college students, as well as their parents. The report documents numerous and growing examples of increased cost-consciousness: “Drawing from savings, income and loans, students paid 30% of the total bill, up from 24% four years ago, while parents covered 37% of the bill, down from 45% 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.”
- “35% percent of students borrowed education loans to pay for college: 25% borrowing federal loans only, 9% using a mix of federal and private loans, and 1% tapping private loans only” ([Sallie Mae 2012b](#)).

- 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” ([Sallie Mae 2012a, 6](#)). 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 ([14](#)).
- Sallie Mae recently repeated this study in *How America Pays for College 2016* and reported that
  - “67 percent of families factored the price of a college when narrowing their list of schools.
  - 55 percent of families eliminated schools from their prospective set due to cost before they began the college application process.
  - 44 percent of families waited to receive the financial aid award before making their final school choice” ([Sallie Mae 2016, 8](#)).

#### **MYTH #4:**

*Online learning is a fad that will never significantly change the face of higher education.*

#### **REALITY:**

*By 2015, 25 million postsecondary students had taken online courses. The number of students studying on physical campuses alone fell from 2010’s 14.4 million to 4.1 million in 2015.*

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

- “The rate of growth in online enrollments is ten times that of the rate in all higher education,” writes the study’s co-author and professor of statistics and entrepreneurship at Babson College I. Elaine Allen ([Babson College](#)).
- According to the survey’s website, 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 ([Allen and Seaman, 12](#); [Babson College](#)).
- The real weight of this number is illuminated by the fact that “the 10% growth rate for online enrollments far exceeds the 2% growth in the overall higher education student population” ([Babson College](#)).
- Student satisfaction is comparable for online and traditional courses, according to the academic leaders surveyed ([Allen and Seaman, 14](#)).
- Two-thirds of the higher education institutions surveyed testified that online education today has become critical to their long-term education strategy ([Allen and Seaman](#)).
- 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” ([Christensen and Horn](#)).
- 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” ([WFYI](#)).
- 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, but its rationale grows only more powerful ([Lindsay 2013](#)).
- 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, an 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.

#### **MYTH #5:**

*The public is satisfied with what colleges offer.*

#### **REALITY**

*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 ([Pew Research Center](#)).

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

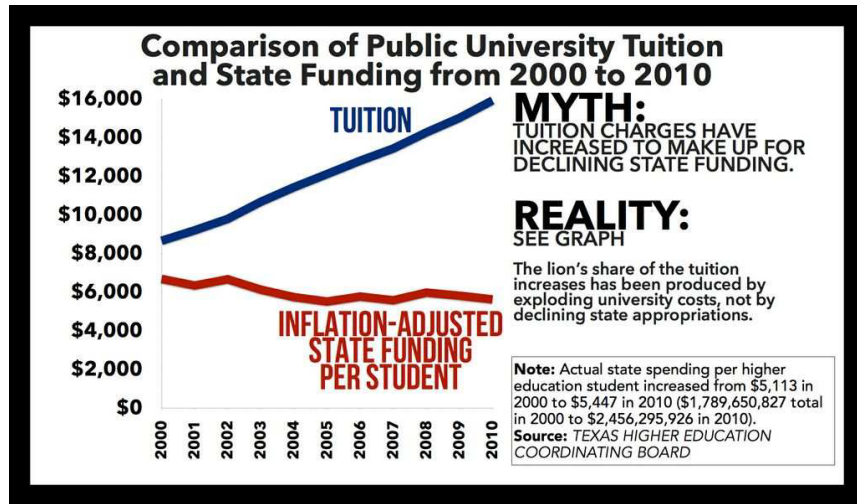
The survey finds:

- 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.

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 teaching them. Only 10 percent felt they could not ([Guenther](#)).



Figure 1. Comparison of public university tuition and state funding from 2000 to 2010



**Myth #6:**

*In Texas, 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 75.9 percent.*

*In truth, there have been mild decreases in legislative funding accompanied by wild increases in university spending (see Figure 1).*

**MYTH #7:**

*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.*

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 (Arum and Roska, 8).

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.

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" ([Commission on the Future of Higher Education](#)).

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



Chart 1. Texas statewide graduation rates 2006-2009: four, five, and six years

comparison, 55 percent of students in an analogous cohort who began their bachelor's degree in the fall of 1996 graduated within 6 years ([National Center for Education Statistics 2011](#)).

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" ([Lumina Foundation](#)).

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 ([Carnevale et al.](#)).

#### **MYTH #8:**

*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 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."
- "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."

- 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" ([Schneider and Klor de Alva](#)).

#### **MYTH #9:**

*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 (Ginsberg 2011a).*

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" (Ginsberg 2011a).

"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" (Ginsberg 2011a).

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 2011a).

From 1998 and 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 12 earned over \$1 million" (Ginsberg 2011a).

A *Chronicle of Higher Education* survey of public universities shows the University of Texas at 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 [sic] personal financial circumstances in states where layoffs, program closures, and pay reductions have been all too common.”

According to the *2016 Higher Education Employment Report*, “the number of faculty job postings decreased in Q2 2016 for the first time in three years. Meanwhile, postings for administrative and executive jobs were up, though marginally” ([HigherEdJobs 2016, 5](#)).

### **MYTH #10:**

*Possessing a college degree guarantees you’ve learned something substantial.*

### **REALITY:**

*Poor student learning has become a national scandal.*

We now know that large numbers (36 percent) of U.S. college students fail to master the skills they need to compete in the global marketplace (Arum and Roska, 121).

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” (Arum and Roska, 121).
- “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” (Arum and Roska, 121).
- 36 percent of students did not demonstrate any significant improvement in learning over four years in college (Arum and Roska, 121).
- 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 (Arum and Roska, 121).

- On the state level, in March 2012, the *Washington Post*, through a public records request, found that the University of Texas at Austin scores in the 23rd percentile among peer institutions on the Collegiate Learning Assessment; that is, 77 percent of UT’s competitors score higher (Arum and Roska, 121).
- 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 (Arum and Roska, 8).
- 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....” (Arum and Roska, 8).
- 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...” (Arum and Roska, 8).

### **MYTH #11:**

*A’s and B’s are a mark of distinction in college, with C’s signifying average performance.*

### **REALITY:**

*As a result of 50 years of grade inflation, A’s now are the most common grade given in college (45 percent). A’s and B’s together constitute 75 percent of all college grades.*

“Where an A is Ordinary,” 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:

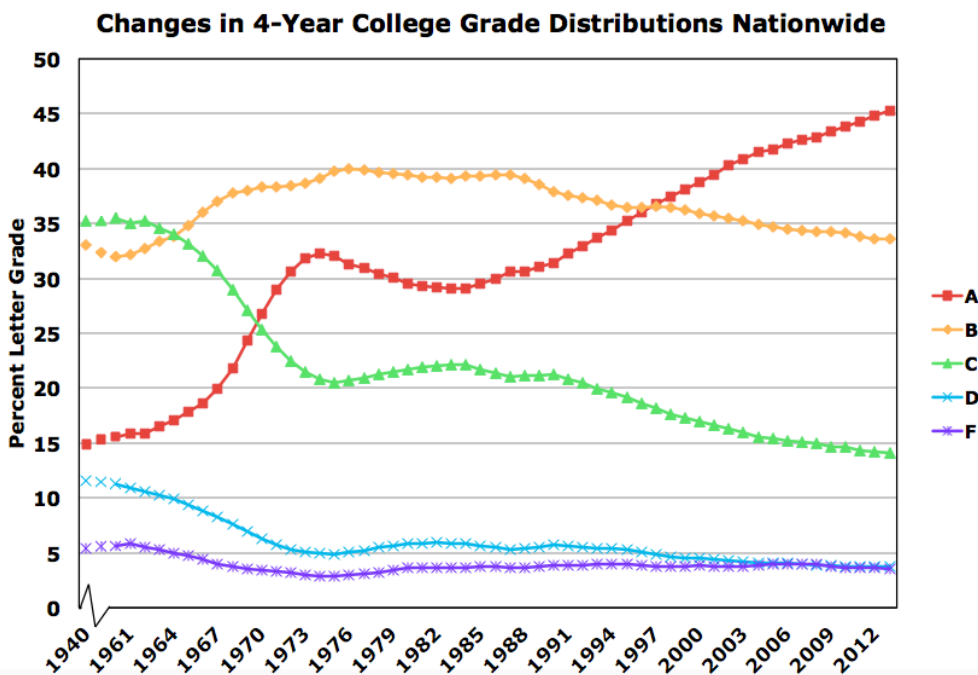
- “Contemporary data indicate that, on average across a wide range of schools, A’s represent 43% of all letter grades, an increase of 28 percentage points since 1960 and 12 percentage points since 1998.”

- “D’s and F’s total less than 10% 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” ([Rojstaczer and Healy](#)).
  - 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 ([Selby 2013](#)).

- “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” ([Selby](#)).
- 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” ([Rojstaczer and Healy](#)). ☆

Figure 2. Changes in 4-year college grade distributions nationwide



Source: [GradeInflation.com](#)

## References

- Allen, I. Elaine, and Jeff Seaman. 2011. *Going the Distance: Online Education in the United States, 2011*. Babson Survey Research Group.
- Ambient Insight. 2016. "[Ambient Insight's 2016 Learning Technology Research Taxonomy](#)." Accessed June 14, 2018.
- Arum, Richard, and Josipa Roksa. 2011. *Academically Adrift: Limited Learning on College Campuses*. Chicago: University of Chicago Press.
- Auguste, Byron, Adam Cota, Kartik Jayaram, and Martha Laboissière. 2010. *Winning by degrees: The Strategies of Highly Productive Higher-Education Institutions*. McKinsey & Company.
- Babson College. 2011. "[New Study: Over 6 Million Students Learning Online](#)." Babson College, news release, November 9.
- Belkin, Douglas, and Scott Thurm. 2012. "[Deans List: Hiring Spree Fattens College Bureaucracy—And Tuition](#)." *Wall Street Journal*, December 28.
- Carnevale, Anthony P, Stephen J. Rose, and Ban Cheah. 2011. *The College Payoff: Education, Occupations, Lifetime Earnings*. The Georgetown University Center on Education and the Workforce.
- Christensen, Clayton M., Michael B. Horn. 2011. "[The Rise of Online Education](#)." *Washington Post*, October 11.
- CNN Money. 2013. "[College Student Debt Index](#)."
- CNN Money. 2016. "[Student Loan Delinquency Index](#)."
- Texas Higher Education Foundation. 2018. "[Texas Affordable Baccalaureate](#)." Accessed August 14.
- Commission on the Future of Higher Education. 2006. *A Test of Leadership: Charting the Future of U.S. Higher Education*. U.S. Department of Education.
- Consumer Financial Protection Bureau. 2013. "[CFPB Fact Sheet Students Monthly](#)."
- Council for Adult & Experiential Learning. 2015. "[Texas Affordable Baccalaureate Program](#)."
- De Vise, Daniel. 2012. "[Trying to Assess Learning Gives Colleges Their Own Test Anxiety](#)." *Washington Post*, March 14.
- Essig, Laurie. 2011. "[Debt for Diplomas](#)." *Chronicle of Higher Education*, April 12, 2011.
- Fidelity. 2013. "[Cost-Conscious College Graduates: A Study of Recent College Graduates](#)." Accessed June 14, 2018.
- Foundation for Individual Rights in Education. 2018. "[Spotlight on Speech Codes 2018: The State of Free Speech on Our Nation's Campuses](#)." Accessed June 14.
- Ginsberg, Benjamin. 2011. "[Administrators Ate My Tuition](#)." *Washington Monthly*, September/October.
- Ginsberg, Benjamin. 2011a. *The Fall of the Faculty: The Rise of the All-Administrative University and Why It Matters*. Oxford: Oxford University Press.
- GradeInflation.com. 2016. "[Grade Inflation at American Colleges and Universities](#)." Last updated July 7.

- Guenthner, David. 2010. "[Texas voters want more bang for the buck in higher education: New public opinion poll provides valuable guidance to lawmakers on budget solutions.](#)" Texas Public Policy Foundation, press release, December 6.
- HigherEdJobs. 2016. [Higher Education Employment Report – Second Quarter 2016.](#) HigherEdJobs.
- Institute for College Access and Success. 2015. [Student Debt and the Class of 2014.](#) Institute for College Access and Success.
- Johnson, Lacey. 2011. "[Employers Say Graduates Lack Job Skills.](#)" *Chronicle of Higher Education*, December 5.
- Legislative Budget Board. 2013. [Financing Higher Education in Texas: Legislative Primer.](#) Legislative Budget Board Staff.
- Lewin, Tamar. 2011. "[Burden of College Loans on Graduates Grow.](#)" *New York Times*, April 11.
- Lindsay, Thomas K. 2012. [The Future Face of Higher Education: Online Learning in the New Economy.](#) Texas Public Policy Foundation.
- Lindsay, Thomas K. 2013. "[Bridges to Nowhere, Classrooms for No One.](#)" *Real Clear Policy*, February 14.
- Lindsay, Thomas K. 2018. "[New Report: The U.S. Student-Loan Debt Crisis Is Even Worse Than We Thought.](#)" *Forbes*, May 24.
- Lumina Foundation. 2011. "[New Study Finds That Earning Power Is Increasingly Tied to Education: A College Degree Is Critical to Economic Opportunity.](#)" Lumina Foundation, August 5.
- McMahan, Vance, and Mario Loyola. 2011. [College 2.0: Transforming Higher Education through Greater Innovation and Smarter Regulation.](#) U.S. Chamber of Commerce and Institute for a Competitive Workforce.
- "Median and Average Home Price of New Homes Sold in the United States January 1963 through October 2011." U.S. Census, 2011.
- Mitchell, Josh. 2017. "[Nearly 5 Million Americans in Default on Student Loans.](#)" *Wall Street Journal*, December 13.
- National Center for Education Statistics. 2011. "[Enrollment in Postsecondary Institutions, Fall 2009; Graduation Rates, 2003 & 2006 Cohorts; and Financial Statistics, Fiscal Year 2009.](#)" Accessed July 26, 2018.
- National Center for Education Statistics. 2016. "[Graduation Rate Fast Facts.](#)" Accessed June 14, 2018.
- Educause. 2016. "The Texas Affordable Baccalaureate Program." Texas Higher Education Coordinating Board.
- Georgia Tech College of Computing. 2013. "[Online Master of Science in Computer Science.](#)" Georgia Tech College of Computing.
- Owen, Sue. 2013. "[Rick Perry Says 13 Texas Universities Have Announced or Implemented a \\$10,000 Degree.](#)" *Politifact Texas*, May 31.
- Paredes, Raymund. 2018. [60x30TX: We Can't Get There from Here.](#) Texas Higher Education Coordinating Board.
- Pew Research Center. 2011. [Is College Worth It? College Presidents, Public Assess, Value, Quality and Mission of Higher Education.](#)" Pew Research Center.
- Perry Rick. 2011. "[Address – Regular Session of the Eighty-Second Legislature.](#)" *Texas House Journal*, 287-296.

- Rojstaczer, Stuart, and Christopher Healy. 2012. "[Where A Is Ordinary: The Evolution of American College and University Grading, 1940–2009](#)." *Teachers College Record* 114(7): 1-23.
- Sallie Mae. 2012a. [How America Pays for College 2012](#). Sallie Mae.
- Sallie Mae. 2012b. "How America Pays for College 2012: A national study by Sallie Mae and Ipsos." Accessed June 14, 2018.
- Sallie Mae. 2016. [How America Pays for College 2016](#). Sallie Mae.
- SASFAA (Southern Association of Student Financial Aid Administrators). 2011. "[The SASFAA Newsletter: A Publication for the Members of the Southern Association of Student Financial Aid Administrators](#)." SASFAA Newsletter, April.
- Schneider, Mark, and Jorge Klor De Alva. 2011. [Cheap for Whom? How Much Higher Education Costs Taxpayers](#). American Enterprise Institute.
- Selby, W. Gardner. 2011. "[Andy Brown Says Nobody in Higher Education Believes \\$10,000 Bachelor's Degree Is Possible](#)." *Politifact Texas*, March 8.
- Selby, W. Gardner. 2013. "[Thomas Lindsay says 43 percent of college grades are A's, up 28 percentage points from 1960](#)." *Politifact Texas*, January 31.
- St.LouisFed (Federal Reserve Bank of St. Louis). 2013. "[Student Loan Delinquencies Surge](#)." *Inside the Vault*, Spring.
- Stripling, Jack, and Andrea Fuller. 2011. "[Presidents Defend Their Pay As Public Colleges Slash Budgets](#)." *Chronicle for Higher Education*, April 3.
- THECB (Texas Higher Education Coordinating Board). 2016. "[AT&T Seeds Expansion of Texas Affordable Baccalaureate Program](#)." *The College Board*. Jan. 2016.
- THECB. 2015. "[Texas Higher Education Accountability System](#)." Accessed July 26, 2018.
- THECB. 2016. "[Overview: Tuition Deregulation and Tuition Set Asides](#)." Accessed June 14, 2018.
- THECB. 2017. "[Texas Higher Education Coordinating Board awards expansion grants for four new Texas Affordable Baccalaureate programs](#)." Accessed June 14, 2018.
- Vedder, Richard, and Matthew Denhart. 2011. "[Why Does College Cost So Much?](#)" *CNN*, December 2.
- WFYI. 2012. "[The Economic Club of Indiana Speaker Archive – Margaret Spellings](#)." WFYI-Indianapolis, Indiana.
- White, Martha C. 2013. "[The \\$7,000 Computer Science Degree — and the Future of Higher Education](#)." *Time*, May 21.

## About the Author



**Thomas K. 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, which supports teaching and scholarship in American history and culture. He was named Deputy Chairman and Chief Operating Officer 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 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 *American Political Science Review*, *Journal of Politics*, and *American Journal of Political Science*.

Lindsay has published articles on higher-education reform in *Real Clear Policy*, *Los Angeles Times*, *National Review*, *Inside Higher Ed*, *Washington Examiner*, *Knight-Ridder Syndicate*, *Dallas Morning News*, *Houston Chronicle*, *American Spectator*, and *Austin American-Statesman*, among others. He is also a regular contributor to *Forbes.com*.

In recognition of his scholarship on democratic education, Lindsay was made the 1992-93 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.

Funded by thousands of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research.

The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

