



College?

Give Choice a Voice

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Introduction

The time has come for parents to think about their children's future plans and decide if the university system is a viable option. This fall, roughly 2.6 million students will enroll in some form of higher education.¹ It has long been a part of the American dream to walk into the Ivory Towers and continue onto post-secondary education. However, this American dream can turn into an American nightmare for parents that are unprepared. When the time approaches to decide about possibly sending your child to college, a sputtering economy along with skyrocketing tuition might have you asking if it is worth it.

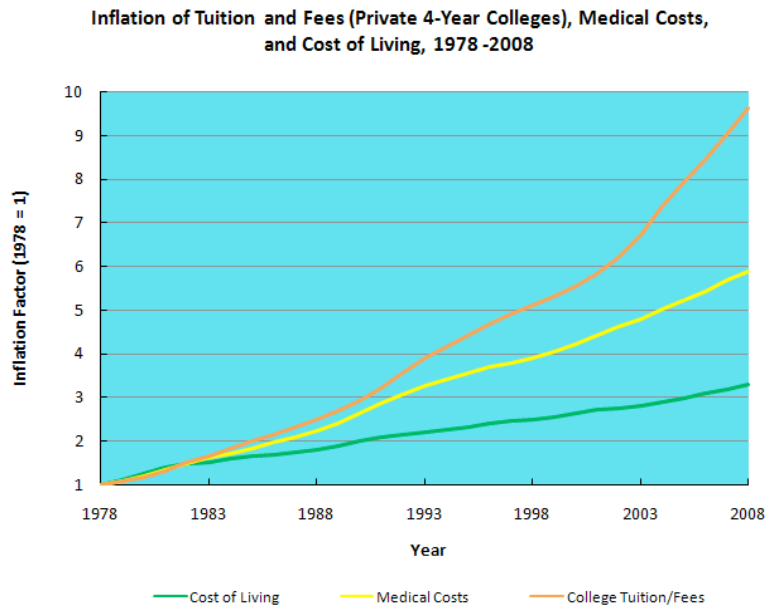
This paper explores alternative options to a post-secondary education, as well as considers attending a university. Particularly, this paper focuses on how to think strategically about the college option and calls for a proper cost-benefit analysis from parents and their children. There are many viable options to the university system that need to be exhumed so both parents and their child know they made the correct choice. While much attention and consideration is given to the college experience, other options such as: vocational schools, internships, volunteering, apprenticeships, community college and working after high school are sensible alternatives.

Many parents plan on sending their children to college as soon as they graduate high school even though the price of tuition and fees has increased at an astronomical rate of nearly four times the consumer price index (CPI), even outpacing healthcare (see figure I).² Unfortunately, many students enter the universities poorly prepared for academia and end up wasting valuable time and money. This problem illuminates the need for parents to exert more leadership and take a proactive role in their children's educational future.

¹ "Digest of Education Statistics," Institute of Education Sciences, 2009.

² Vicki E. Murray, "10 Questions State Legislators Should Ask About Higher Education," American Legislative Exchange Council, 2011.

Figure I: Inflation of Tuition and Fees. Source: College Board Data and CPI³



Questioning the Real Price of College

Approximately 72 percent of parents will contribute some of their income to their children’s education, therefore; they need to take a step back and reevaluate the costs and employ more control of what they are actually paying for.⁴ A college education must be viewed as an investment, and just like any investment, the first step is to find out if it makes financial sense. Initially, parents need to sit down and determine the return of a college investment with their soon-to-be student and figure out what exactly it is they want to do, and how or if college might help reach their goal. If parents are contemplating sending their children to college, a good question to think about is, “Can I get back a return on my investment by earning a higher salary? If so, how long will it take?”

As the economic and future competitiveness of the United States begins to look dismal, more students are leaving academia unprepared for the real job market than ever before. This is an extremely troubling factor and needs to be considered before investing. A recent survey by Adecco and Braun Research [April, 2011] exemplifies the problem in academia, finding that 71 percent of recent graduates wished they would had studied something different while in college, in order to better prepare themselves for the job market.⁵

³ Wikicharts, http://en.wikipedia.org/wiki/College_tuition accessed on June 7th 2011.

⁴ “How America Saves for College: Sallie Mae’s National Study of Parents with Children Under 18” Conducted by Gallup, 2010.

⁵ Adecco College Graduate Survey, <http://www.adeccousa.com/articles/Adecco-College->

Another matter to consider before you invest is the overall satisfaction of the alumni. Recently, the Pew Research Center released a poll on how many Americans are not happy about the price of a college education. A summary of the key findings found that: A majority of Americans (57 percent) polled said they were dissatisfied with the value of a diploma considering the amount of money they spent. Not surprisingly, a far greater number of participants (75 percent) polled said college is too expensive for them to afford.⁶

In order to address the rising costs of post-secondary education, efforts are now underway by colleges to bring more accountability and transparency to parents with students entering academia. The Department of Education released a template for a net-price calculator to help parents figure out the real price of school per year. Under a provision in the Higher Education Opportunity Act of 2008, by October 2011, colleges must have the real price calculators on their webpages.⁷ The idea behind the net calculator is to remove the dubious “sticker price” and display an accurate cost of what tuition and fees will be while attending the school. This may turn out to be a useful tool for parents trying to calculate a year’s tuition and help budget their expenses. Still, the sticker price of a college is just a starting point and in no way should be the primary determining factor if your child should attend or not.

Since parents know their children better than anyone else, it is their responsibility to talk with them and figure out what is it they want to do. Understandably, the majority will not know exactly what their future career goals are. Getting a general feel for what it is that interests them and determining if college will benefit them is a parent's responsibility. Anything preventing individuals from going into college blindly and paying an exorbitant amount of money for a questionable degree should be avoided.

Alternative Options to the University

If spending upwards of six-figures while tapping into your 401(k) and having your child waste four-to-five years of his or her life earning a diploma with uncertain value does not sound attractive, there are additional options. Each of us need to re-think educational reform to include prospects other than the four-year university option. One ramification of the university-only emphasis in high school is a decline of career-related training. In May [2011], a ManpowerGroup Annual survey found that 52 percent of employers are having difficulty filling mission-critical positions within their organizations.⁸ Further, in

GraduateSurvey.html?id=181&url=/pressroom/pressreleases/pages/forms/allitems.aspx&template url=/AboutUs/pressroom/Pages/Press-release.aspx accessed on, June 3rd 2011.

⁶ Is College Worth it? <http://pewsocialtrends.org/2011/05/15/is-college-worth-it/> accessed on, June 1st 2011.

⁷ U.S. Department of Education, <http://www2.ed.gov/policy/highered/leg/hea08/index.html> accessed on, June 2nd 2011.

⁸ ManpowerGroup Annual Survey,

the 2011 list of hardest jobs to fill, skilled trades placed number one. There needs to be a re-emphasis on skilled labor as an alternative to the four-year degree. Vocational schools certainly are an important element in our economy, and we need to make sure we are not overlooking them as a viable option with the potential to train machinists or skilled labor.

Some students, however, want to have a taste of the college experience and vocational schools do not fulfill this desire for many. The community college option becomes a viable alternative to vocational schools. If skeptic parents feel their child is not mature enough for a four-year university, this is a lower cost alternative.

Community colleges are one option that unemployed workers and high school graduates utilize because of the opportunities they provide. If a student is looking to obtain an associate's degree, technical training or obtain a professional certification, community colleges fill the gap. Community colleges also allow for students to take core classes and transfer to a university when they receive ninety credits towards their bachelor's degree. This option can save a substantial amount of money and allows the student to discover what they want to study – but in a much cost effective environment. After all, Hawaii's former governor Benjamin Cayetano used Los Angeles Harbor Community College as a stepping-stone to further his education.⁹

It is important to note that while numerous studies suggest a correlation between accumulating higher wages and having a four-year degree, correlation does not always equal causation in the case for higher education. Some go further to argue that students who want to attend college are already highly motivated and have skilled innate abilities to obtain an entry-level career. Therefore, another plausible option to consider is not even having your children attend school at all. Instead, encourage your child to start a business or pursue their dreams.

Understandably, this option will not be for everyone. But if your child has a propensity for business and an entrepreneurial spirit, having them spend a few years in the real world would present a better educational opportunity than college, even if they fail. Peter Thiel, the co-founder of Paypal, announced a \$100,000 scholarship for 24 fellows under twenty to not go to school for two years and instead, pursue their ideas in science or technology. While most will not come out as the next Bill Gates or Mark Zuckerberg, what they will learn in the real world is invaluable compared to a traditional college education.

Another possibility that many parents overlook is postponement of secondary-education for a year-or-two. This is similarly known as the post high school “gap year,” where students travel, volunteer, or enter the workforce. High schools rarely, if ever, teach students how to be responsible for them selves, so taking a year off working or volunteering would be an excellent opportunity to gain life experiences. Deferring a year

<http://manpowergroup.com/investors/releasedetail.cfm?releaseid=579117> accessed on June 3rd, 2011.

⁹ http://bencayetano.com/?page_id=3 accessed on June 23rd 2011

also has many other benefits that might be advantageous to future college plans. First, the benefit of letting your child evaluate what he or she wants to do, which can potentially save you thousands of dollars in wasted tuition costs. Also, spending time volunteering, going on a church mission, or any other unique experience would be impressive on a college application, making it stand out from others. Finally, since it is no secret that college is very expensive, so depending on what they do, taking a year off might allow for a substantial sum of money to be saved to finance their college experience.

Selecting the Right University

If after researching and discussing career plans with your child, you do decide college is the appropriate path after high school, determining the college best suited for your child is going to be a daunting challenge.

Within the university system, there are numerous schools to choose from, each one specializing in certain fields and offering a wide array of options in liberal arts or the sciences. Habitually, students gravitate towards the most expensive schools with the biggest names for a quality education. Unfortunately, prestigious colleges do not *always* offer a superlative education. A study by the American of Trustees and Alumni (ACTA) found that the cost and reputation do not predict the strength of a school's general education curriculum.¹⁰ When picking the right college for your child to attend it is essential to remember to go beyond the school's name and consider other factors in the selection process (see figure II in appendix).

Further, when comparing colleges, it is best to have an idea of what your child is interested in studying; this can make a world of difference in the quality of the education he or she receives. For example, if they are looking for a research-based biochemistry job after school, attending a small liberal arts university specializing in finger painting, more than likely, is not conducive to their educational or career goals. Another element to consider when selecting the right college is examining the course curriculum. Many schools offer extremely specialized topics as part of their general requirements to graduate from certain programs. This can be problematic since large numbers of entering students have no idea what they want to study – therefore, they get stuck taking exotic courses to fulfill their graduation requirements.

¹⁰ “What will they learn? A Survey of Core Requirements at our Nation's Colleges and Universities,” ACTA, 2010.

Selection Process

Beyond basic graduation rates and degrees afforded, many schools lack transparency in reporting what you actually get with the mammoth price tag. This is why understanding which questions to ask during orientation or when speaking with an admissions counselor is salient to the selection process. Also, as the economic downturn diminishes the coffers of the universities, they might be less obliged to give incoming students and their parents full disclosure of what they actually get. So it pays to find out as much as you can about the institution.

The selection process is so significant that it may affect the likelihood of actually graduating. According to a survey in a Public Agenda report for the Bill & Melinda Gates Foundation, the study found - of the many young Americans that did not attain a diploma while attending college, hardly any went through a selection process.¹¹ The report further found that in some instances, selection was not part of a methodical process, stating, among those who did not finish college, “two-thirds said that they choose their college based on convenience of location and only one-third based their selection from academic reputation.”¹²

Examples of exceptional questions that should be considered before attending any orientation, can be found in the American Legislative Exchange Council’s (ALEC) publication on the *10 Questions State Legislators Should Ask About Higher Education*. This comprehensive report presents a good insight into the academic world and educational policy, offering the top ten questions that should be asked by legislatures along with pages of online resources to ensure you get the complete answers you need. Another great resource to explore is Collegemeasures.com. This site works by aggregating data from The Integrated Postsecondary Education Data System (IPEDS), The Delta Project, College Board and Payscale, cutting through extraneous measures and focusing on a small set of indicators that they feel is significant to quality universities.

Inputting Hawaii’s three public universities into collegemeasures.org displays a trove of useful information. The performance scorecard itemizes each of the universities by: strategic measures, graduation rate, first-year retention rate, cost per student, cost per degree, cost of attrition, student loan default and debt to earnings ration. If you are looking for a deeper analysis on any of these categories, just click on the tab and voilà.

¹¹ “With their Whole Lives Ahead of Them: myths and realities about why so many students fail to finish college,” Public Agenda, 2011.

¹² Ibid.

Conclusion

The purpose of this essay is not to propose that going to college is a waste. It is meant to serve as a guide for those not familiar with academia and to create an important dialogue and offer a more pragmatic approach to education. Indeed, attending a university can be a great and fulfilling life experience, and in some cases – worth the investment.

However, if unprepared, college can be a major financial burden on the student and the family, which may take years to recover. Continuing onto post-secondary education is a big decision that needs to be taken seriously and systematically thought through. Instead of approaching the college experience with idealistic sentiments, it is better if parents and their children consider a cost-benefit analysis approach to college instead.

Ever since universities have been bombarded with accusations that they are not worth the price, to counter this, schools use a common figure to make them look like the best option for high school graduates: the increased salaries that come with higher education degrees. At a first glance, this seems like a compelling argument. However, the *average earnings* figure by itself is not the best yardstick to use because it can be misleading since it does not account for economic conditions or the price of the degree after interest accrues. Instead, you need to look at the net-worth of the college degree. At what age will the individual with the college degree ultimately exceed the wages of the non-college educated? It is important to remember that the individuals who join the job market early have a head start since they can invest their money earlier, while college students subsequently must pay back loans.

If you decide college is worth the financial investment for your child, there are resources to ensure you make the correct choice. ALEC's publication and collegemeasures.org are examples of services that provide a valuable tool for parents and soon-to-be students. The fear and ambiguity of college can be severely reduced by just taking a proactive approach to your child's education. This can be done by simply researching the institution beyond graduation rates and scrutinizing factors such as student retention, average class sizes, tenured faculty and composition, number of graduate teaching assistants, average days of instruction and curriculum to name a few. Students can also play a significant role by exploring their degree, job opportunities, average salaries, and job security from their field of study. Nevertheless, despite what universities may claim, it is important to keep in mind that they really are a business and parents need to approach them with the mentality of *buyer beware*.

While it is laudable that universities have begun displaying the actual cost of a year at their institutions, offering a price calculator does not exonerate universities from appropriating taxpayer subsidies and tuition fees while not being held accountable. We, however, are cautious at the predisposition of introducing further legislation to account for this issue. The effect of such a move would, undoubtedly, be detrimental and create more unintended consequences.

Instead, we propose a dual approach to the higher education issue. Universities need a real pledge to candor and transparency, since higher education pricing is so obscure and the value of a degree is questionable. Change also must occur at the lower level of the system, and *only* if it is done collectively as well as individually. Initially, there needs to be a change of the conventional view of college. No longer can higher education be perceived as a four-year delay from adulthood, with the only goal of receiving a paper diploma to proudly display above the nightstand. Parents also have a leadership responsibility; just because a child turns eighteen does not mean parents should shirk their duties and let them make such a financial decision without any guidance. It is imperative that parents get involved and ask copious questions. Not only will it help the process run smoother, it might even save a substantial amount of money and future headaches. After all, parents are the most powerful resource a student can utilize.

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Appendix

Figure II – Check list for parents

- ✓ Figure out what your child wants to study or at the minimal, decide what areas interest him or her.
- ✓ Consider alternatives to college.
- ✓ Consider the risks involved in financing a degree.
- ✓ Research college ratings.
- ✓ Examine core curriculum of programs.
- ✓ Research good questions for orientation or for the admissions counselors.

Figure III – Tips for choosing the right college

- ✓ Look at the size of the school. A smaller community can be more conducive to academic exploration.
- ✓ Check out who visits the campus as a guest speaker.
- ✓ Sit in on some classes (3 to 5).
- ✓ Talk with recent graduates and alumni.
- ✓ Look at how many teachers assistants there are in a program.
- ✓ See what extra curricular activities are available.
- ✓ Talk with a guidance counselor.
- ✓ Read faculty evaluation.
- ✓ Accreditation – is the college or university nationally accredited?
- ✓ Find out if there is overcrowding in the dorms, ask about original design capacity and what the present day numbers are.
- ✓ Is there a unusually large emphasis put on collegiate sports? Many times schools camouflage a low academic culture with sports.

Sources

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