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The
Outrageous
Cost
of
College
by
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By JOSH MITCHELL
The Wall Street Journal

WASHINGTON—The federal government is on track to forgive at least \$108 billion in student debt in coming years, according to a report that for the first time projects the full cost of plans that tie borrowers' payments to their earnings.

The report, to be released on Wednesday by the Government Accountability Office, shows the Obama administration's main strategy for helping student-loan borrowers is proving far more costly than previously thought. The report also presents a scathing review of the Education Department's accounting methods, which have understated the costs of its various debt-relief plans by tens of billions of dollars.

That formula typically reduces monthly payments of borrowers by hundreds of dollars. Any remaining balance is then forgiven after 10 or 20 years, depending on whether the borrower works in the public or private sector.

Congress approved the plans in the 1990s and 2000s, and President Barack Obama has used executive actions to extend the most-generous terms to millions of borrowers.

Enrollment in the plans has more than tripled in the past three years to 5.3 million borrowers as of June, or 24% of all former students who borrowed directly from the government and are now required to be making payments. They collectively owe \$355 billion.

The GAO estimates that \$137 billion of that figure won't be repaid. Most of it—\$108 billion—will be forgiven because of borrowers fulfilling their obligations under income-driven repayment plans. The \$108 billion only covers loans made through the current school year, however. The overall sum could continue to grow alongside enrollment increase.

Critics, including academics across the political spectrum, say the income-based repayment program isn't targeting the neediest borrowers and instead bestows big benefits on those who attend pricey colleges and graduate schools and earn high incomes.

Education Department data show that most borrowers with high debt balances have attended graduate school. Roughly 8 million borrowers are currently in default on their loans, most owe under \$10,000, government data shows. But Wednesday's report suggests the average balance of borrowers in income-driven repayment plans is nearly \$67,000.

For most of my life if you borrowed money you were expected to pay it back. If, for whatever reason, you couldn't pay back the borrowed money, say, for instance it was a collateral-based loan like on a car, the car was repossessed, or for a home the home was taken back by the lender. To pay back borrowed money some took multiple jobs, did whatever it took to pay their debts. If, again for whatever reason, including excessive spending, the debt was too large then there was a legal out called bankruptcy where the court said to the lenders, sorry, you get nothing giving the person a fresh start, minus credit cards.

As I researched the reasons for higher educational costs for students attending public colleges/universities two reasons stood out: states decreased their financial support for colleges so colleges raised their tuition to cover that loss as well as add in a boost; and colleges became bloated with administration people, some 221 percent higher than the increase of teachers. "A professor at California Polytechnic University, Pomona, found that, while the total number of full-time faculty members in the C.S.U. system grew from 11,614 to 12,019

between 1975 and 2008, the total number of administrators grew from 3,800 to 12,183 — a 221 percent increase.” (From a New York Times Sunday Review.)

“An estimated 21 million students attend at least some classes in a postsecondary institution.” This is schooling after you receive your Bachelor’s Degree and earn a Masters or Ph.D.

The highest unit rate I paid in college was \$65 per unit. I had wanted to attend USC and it was going to be more than doubled that. Today USC charges \$1,733 per unit rate for students enrolled in 1-14 units. \$25,721.00 is the flat rate for students enrolled in 15-18 units. If you calculate that 1970’s \$65 into today it would have the same buying power as \$408. That’s an increase of \$1,325 more I would have to pay if I were to enter college today. Now, both where I went to undergrad and grad school and USC are private colleges. In the California State University system the unit costs is around \$228. The figures given here are just per unit costs, it doesn’t include any other fees or expenses.

The question of concern is how do colleges set their per unit prices. Is there some kind of comparison with how businesses set their product prices?

Businesses, whether manufacturing or retail, set their product prices based on their overhead costs that includes everything from physical buildings and equipment and utilities and labor. How many widgets must I sell to break even. After reaching that number profit margin is added and playing into that is the question of how much the market will bear. Set your selling price too high and less will purchase your items. Set your selling price too low and you will not be able to meet rising costs. The money you make above expenses is called profit, but it isn’t necessarily take home profit. A portion of that money must be set aside for unexpected expenses like new equipment, and a lot of other future expenses. An average profit margin companies hope for is around 25% that gives them the ability to pay their overhead, keep some money for expansion or replacements, and have an income for yourself. Apple and Microsoft made tons of profit making Steve Job, while he was alive, and Bill Gates filthy rich. But they had a product people wanted and demanded and were willing to pay whatever it cost.

Businesses can have the same “bloat” problem as colleges that while the number of line employees stay the same or slightly increase with an increase in business, managers and administrative personnel grow faster. It’s not thought of as bloat in good financial times when their salaries can be met by the increase in business. And it isn’t just stuffing the top as each administrator added spreads the focus around taking that burden off a few thereby adding to the greater well-being of a company. More can get done because more are there to do it.

But in an economic downturn bloat now becomes a negative, and all too typically, and I’ve been in Fortune 500 businesses where this happened, bloat is the last to go as line employees first carry the burden of cutting the costs of doing business. Then comes the decrease in administrators.

Colleges are not business and there is a major difference. The product they produce are graduated students, not widgets, and it’s all about costs and not profits as the students are not sold like widgets are in a business. But like a business they have overhead that includes buildings, vehicles, utilities, labor from support staff to staff (teachers). The formula they use to determine unit costs for students isn’t derived from simply taking overhead and adding a percentage. There are variances on a widget price depending upon the volume a business has on hand; too many widgets and the price goes down, too few and the price goes up, all dependent upon what the market wants. But in a college, too few students and too many students doesn’t affect the profit margin because there isn’t one. But it does affect their expenses. The school is all about expenses and not profit returns.

Another way to look at the unique economic structure of colleges comes in looking at magazines and newspapers and how they operate. The widget they are selling are themselves by way of subscriptions. No matter how many subscriptions a magazine or newspaper has, that doesn’t cover the overhead of producing the magazine or newspaper. It’s advertising in that magazine/newspaper that pays the bill and the profit margin. And advertising is directly related to the number of subscribers. The more the subscribers the more advertisers are willing to spend their money in the magazine/newspaper. The less subscribers the less advertisers are willing to spend money. Like widget makers and sellers, this is a market-driven enterprise dependent upon what the market will bear. For subscriptions to magazines or newspapers to pay the overhead the subscription would be prohibitive and no one would subscribe. That’s why so many printed newspapers are folding up shop. With the rise of internet news fewer people are subscribing to physical magazines/newspapers which decreases the num-

ber of advertisers to pay for overhead and a profit margin. In a sense, you can say that advertisers subsidize magazines and newspapers. This is unlike widget makers and sellers, but it does have some relation to colleges/universities.

Student tuition does not cover the overhead costs of the college, whether they are public or private. They need to be subsidized. For public colleges the major portion of that subsidy comes from state and federal government. For private institutions it comes from endowments from the rich. So even if you cut the bloat that was mentioned above, and that would help, it wouldn't cover the cost of doing business. If you are thinking, "Well, let's just bring in more students and what money they bring will help." It doesn't work that way. A school can only handle a maximum number of students so getting more students in to help share the costs is not an option.

A LITTLE BACKGROUND REGARDING EDUCATION

"A 1647 Massachusetts law mandated that every town of 50 or more families support a 'petty' (elementary) school and every town of 100 or more families support a Latin, or grammar, school where a few boys could learn Latin in preparation for college and the ministry or law. In practice, virtually all New England towns made an effort to provide some schooling for their children. Both boys and girls attended the elementary schools, and there they learned to read, write, cipher, and they also learned religion. In the mid-Atlantic region, private and sectarian schools filled the same niche as the New England common schools." (Wikipedia.)

Every college from what became Harvard founded in 1636 to Dartmouth founded in 1769 were formed by Christian groups. They were not created to be religious schools, although religious education was part of the student's education. There were no public colleges/universities.

One of the primary forces inside the Protestant Reformation was education. If man has direct access to God then he/she had to know what the Bible said. This meant that the ability to read and write was important to the Reformation movement. It's why the Bible was translated into the language of the people of the various nations, so they could read it for themselves. An educated person is less likely to be manipulated by others and what began as education in terms of the Bible became education in all respects for everyone, not just the upper class that could afford it. That's why the push to have towns create schools so as many as possible could have at least a fundamental education and take control of their own lives.

It was the responsibility of the town to establish the schools, meaning the burden of financing the school was the people of the town and not the student, and it wasn't to come from the government. As education, at least grade school education, was a public good the public was responsible to ensure this good was met. In the beginning it is why Churches were one of the leading providers of money for schools, and, again, this was not just to promote their theological doctrines.

Funding for colleges came from many sources. Among them were tuition, church donations of money and land, and now would come in legislative appropriations. Schools before and after the nineteenth century received money from state governments. This is seen in the Morrill Act of 1862.

"Land-Grant College Act of 1862, or Morrill Act, Act of the U.S. Congress (1862) that provided grants of land to states to finance the establishment of colleges specializing in "agriculture and the mechanic arts." Named for its sponsor, Vermont Congressman Justin Smith Morrill (1810–98), it granted each state 30,000 acres (12,140 hectares) for each of its congressional seats. Funds from the sale of the land were used by some states to establish new schools; other states turned the money over to existing state or private colleges to create schools of agriculture and mechanic arts (known as "A&M" colleges). The military training required in the curriculum of all land-grant schools led to the establishment of the Reserve Officers' Training Corps, an educational program for future army, navy, and air force officers. The second Morrill Act (1890) initiated regular appropriations to support land-grant colleges, which came to include 17 predominantly African American colleges and 30 American Indian colleges." (Encyclopedia Britannica.)

There was no official government mandate for schools, not in the Articles of Confederation nor the Constitution, but it was in the hearts of our founders beginning with those coming off the Mayflower. Yes, Massachusetts did start it off with a Colony law, I guess today you could call it an unfunded mandate, but it was consid-

ered one of those public duties that benefited all, not just those attending school, so all should participate in public education. That law said you must create schools, not what was taught in those schools, that was up to the community, but it was understood that reading, writing, and arithmetic was the basics of learning.

The first wave of mandatory education began in the 1920s and it was very much a strike against parochial schools, particularly the Catholic church sponsored schools. The second wave for compulsory schooling by the state came in the 1947 Supreme Court case of *Everson V. Board of Education* where we have the first mention of "separation of church and state." Again, this was a strike against religious schools.

"By 1900, 34 states had compulsory schooling laws; four were in the South. 30 states with compulsory schooling laws required attendance until age 14 (or higher). As a result, by 1910, 72 percent of American children attended school. Half the nation's children attended one-room schools. In 1918, every state required students to complete elementary school."

Education began as voluntary but highly recommended, then mandated by the state beginning at age 5 and ending at age 18. Industrialized nations prized an educated population, especially in America where "we the people" are to have control of our individual lives. It only works if we at least have a rudimentary education. It wasn't the large size of population that required the state to take over funding, it came directly out of progressivism that is part of Marxism/Socialism where religion is distrusted, disbelieved and should have little to no say in society. It was under this new progressive ideology that the State began taking control over education.

"For most public schools the funding comes from three different levels. The federal government does not officially fund or govern education; this is within the purview of each state. However, the government does mete out a significant amount of funding to states for education based on criteria set by the federal government, therefore it does exert some influence over the state-run systems with its funding. The state governments gather and distribute a significant amount of funding for schools through state sales and income taxes, lotteries, and property taxes. Local governments also often contribute through their respective taxation systems as well."

From kindergarten through high school no student has to pay any money for their education. It's free. At least for the student. State colleges and universities began in the early 1800s, subsidized by the same taxes that paid for lower education. However, now students were required to pay a part of their education, small in comparison to private colleges and universities. The more prestigious a state college or university became, even those public colleges/universities, it also received endowments from former students and interested parties, especially in the area of sports.

Universities began in Medieval Times in Italy and were Catholic schools for the education of the clergy. It wasn't that "higher" learning began here as we know prior to this formal setting with students sitting under several teachers we had loosely defined as "academies" such as Plato's and Aristotle's academy. Typically, students would gather around one man and be involved in a search for the meaning of life, but to also include mathematics.

This formal structured educational process that began in Italy was now taken up by Kings who established their own universities that now taught other subjects than religion, such as law, philosophy, mathematics, and classical literature. By 1088 degrees began being offered to students who completed the courses of the university. The basic idea was to have dedicated time to study the wisdom of the past in a variety of areas to gain a well-balanced knowledge from which new ideas had a foundation underneath them. This was academics pure and simple, not a trade school that concentrated on one subject that would help you in a job. The value of universities is that it leads one to greater knowledge who would become leaders. The more you know the more is opened up to you.

Now, just looking at colonial America, we find the lower schools (those below college level) were more demanding of the student than what I experienced in lower schools. When you look at their primers the knowledge demanded from a student was incredible. There was no babysitting in those schools. In many schools "instruction was offered in Latin, Greek, mathematics, surveying, navigation, accounting, bookkeeping, science, English, and contemporary foreign languages." But not all education took, or takes, place in formal schools. Homeschooling was the norm for most of colonial America. Men like George Washington, Patrick Henry, and Ben Franklin were homeschooled and never attended any college. One needs education but that it comes from

a college or university is not necessary and one would be hard-pressed to say that Thomas Jefferson and James Madison, who both had university learning, were greater than Washington, Henry, and Franklin.

Today we have an incredible push for every child to attend college, to get a college degree as though having a degree from college validates you, as opposed to your character and the common sense that comes from having an open mind and not dependent on a college education. We in modern America are obsessed with college education and so we fill our public colleges and universities with students to the point that they are overwhelmed by students and their costs are driven up and what is demanded from us to pay for that is driven up, including the fees students have to pay.

MONEY IS THE KEY TO EVERYTHING

The phrase “free isn’t free” is something we never successfully deal with because we are so happy we don’t have to pay for something that we ignore that someone else is paying for us. This is not prima facie selfishness on our part—we don’t care who pays just so we don’t. In terms of education, society has decided from the beginning of our history that education is such a public good, we, all the people, would contribute to its establishment and continuance.

When Bernie Sanders and Hillary Clinton said free education should be for everyone, a lot of people yelled back, “You betcha!” We’re always up for free. But free isn’t free, someone is paying the bill. It’s no fun looking at that side of life.

Like so many of you I’ve railed against the outrageous costs of college education. And like many of you I saw this as greed on the part of colleges/universities. In my mind when I read the Mitchell article was the incredible debt both my daughter and son have from their colleges. Both went to private institutions and not public ones so their debt is especially high, and debts that are next to impossible to pay off even though both have good jobs. So I’m personally sensitive to the costs of higher education. I was ready to condemn the colleges and universities in this nation as gougers and we have every right to slap them down for their excessive charges. I still feel that way, but after my research into why the high charges, I saw that it was a more complicated issue than just greed (which is the common charge and has some merit) on the college’s part. Having had to admit this I understand that unless and until those complicated issues are addressed and fixed, stop-gap measures like the ones in the article by Mitchell will be like putting a small band aide on a large gash.

There are short term benefits/consequences and long term benefits/consequences at play here we need to understand. In the short term, colleges and universities don’t lose financially because no matter what happens with the loans students receive—whether they are paid back in full or defaulted—the college/university gets their money upfront. You pay for your education first, then you get your education.

Compare this with purchasing a car. Every car I’ve purchased over my lifetime I’ve done so with a bank loan, not cash. When that car is turned over to me the dealer is paid by the bank and they have their money in full. Now, if I default on my loan the car dealer doesn’t care, they have their money so they don’t repossess my car. However, the bank repossesses it because legally they own my car until I pay off my loan since I’ve used it as collateral. And so it works in the college/university world. However, school loans are uncollateralized, meaning there is nothing to repossess as payment for the loan. But the school has their money, who doesn’t is the lender.

In this scenario there are winners and losers. In the short term the winner is the schools and the car dealers (and possibly the student if they have graduated with a degree that gets them a job) while the losers are the lenders in both.

Free isn’t free. Lenders, whoever they are, don’t have a printing shop where they print money that they give you as a loan. To put it simply, they have a vault with x-amount of money that gives them the ability to make x-amount of loans. When that vault is empty there are no more loans to be made. The lending industry doesn’t operate that way, however, as their goal is to keep making loans and the only way they can do that is to have their loans repaid with the money going back into the vault for another loan. The money in the vault grows in two ways: the interest charged for the loan so that more money is repaid than loaned, or the profitability of the enterprise allows for more money to be put into the vault increasing the ability to give out even more

loans. Let's be sure about this, the money first placed into the vault did not come off their own printing machines. It came in a variety of ways from investors to business practices made money available for the lending vault. When a loan is not repaid it costs the lending institution and/or the investors. As investors didn't go into their back bedroom and print their money they had to earn it so a loss in return is a loss unrecoverable. For free money to be free it would have to cost no one if lost, but that's just absolute nonsense to even think this way.

This brings us to the long-term consequences. At some point it does begin to negatively affect the colleges and car companies when lenders stop lending because they are losing their investment money through nonpayment. That means they cannot make more but less loans, and at some point will stop making loans at all. That means there won't be students attending colleges or people purchasing cars and both will have to seriously cut back their businesses or go out of business.

Remember, while lower education is free to the student it isn't because of free money, it's paid for by the citizens through their taxes. The expenses (overhead) of a public college/university is much greater than that of a lower school so it requires both an increase taken from tax money, which still isn't enough, and a fee is charged to the student to help cover the additional costs. No public institution of higher learning can stay in operation if some of their expenses are not paid for by the student. And what we are now seeing is that because the state is giving less to schools to make that up colleges/universities are raising tuition. Now consider a private college/university whose sole income is from student loans and endowments, they do not have any tax money given to them.

COST OF EDUCATION

“According to the College Board, the average cost of tuition and fees for the 2015–2016 school year was \$32,405 at private colleges, \$9,410 for state residents at public colleges, and \$23,893 for out-of-state residents attending public universities.”

“According to FinAid.org, the average cost of master's degree for students is between \$30,000 and \$120,000. The cost varies depending on the university and the master's program itself. The cost varies by program as well. The average cost of an MBA, for example, is \$40,000.”

“Preliminary data for the 2014-2015 academic year shows the median cost of a four-year medical school education as \$226,447 for public schools and \$298,538 for private schools with median tuition/fee costs ranging from \$34,540 to \$53,714.” If you go into a medical specialty the costs keep going up higher and higher. You wonder why a doctor charges as much as he/she does? They have a tremendous debt to become that doctor.

“For 10 broad degree categories ranging from engineering to communications, 2016 graduates are projected to have an average salary of \$50,556.” Let's review a couple things here; these are what I call usable degrees, that is, they are professional/technical degrees that lead directly to a professional/technical job. And while that income from those usable degrees expected sounds really great because it falls within the average income for households in American, you now must factor in debt-to-income (DTI) ratio. If you have no debts that income sounds great, and is great. But in fact, you already have a debt, your college education that averages around \$30,000 and up to over \$100,00 if you have a post-graduate degree. If you have an \$80,000 school loan your monthly repayment is well over \$1,000. You've now reduced that \$50,000 yearly income to nearly \$38,556. Now, the estimated yearly living expenses for a single person with no children is \$28,458 leaving you \$10,098. That is supposedly play money, but unexpected expenses easily cuts into that.

So what about those non-usable degrees like women's studies, black studies, all kinds of studies that don't relate to an employable job with that degree. You have the same debt but you don't have immediate access to the same income.

Questions now naturally come up. Why get a non-usable degree with a high debt? What about those usable degrees but the market is limited so you are forced to take lower paying jobs outside your degree? This latter question fits a lot of college graduates. Certain occupations become very popular and promise great income and so schools pump out thousands of students with usable degrees but flood the market with degreed people that can't get that job because the market is filled. I personally know several people who fit this scenario. And

Another question you might ask is what is the value of that degree I earned? Value should not just be about income, however with a high debt to get that education income is a crucial factor. There are thousands of jobs where technical training from a trade school is more valuable than getting a degree from a college/university. Yet in our modern society trade schools are rarely even mentioned while there is a great push for every child to go to college/university. The image, whether meant or not, is that we aren't valuable as a person without a college degree. Another image given, and it is meant, is that the world is moving fast into technology and without a college degree it will leave you behind because only college educated people will find work.

THE COMPLICATIONS

These questions are raised mainly because of the high cost of education. If the cost of going to college/university is affordable, that is the DTI is low, I wouldn't need to undertake this study, my children would have greater benefit from their education because their income would not be deeply cut into to cover their outrageous education debt and we would all be happy. But that's not life, is it?

We've taken a long route to get to the bottom-line questions that were inspired by the Mitchell article, but taking this route gives us a better understanding of the issues involved so we can make better decisions when we look for fixes. We can make short-gap fixes, which we are now doing by simply forgiving debt, but these are short term fixes and the problem never goes away. If we want to make genuine fix that lasts a long time, the knowledgeable way is the only way to go. Now, there will be a serious question, say, if we find the fix that helps future students in terms of costs of education and that is, what can be done about those students before the fix that have to suffer large debts they should not have had? Is there anything we can do for them without reinjuring the system?

One thing everyone agrees on is that college education is too expensive, abhorrently expensive. Millions of students are deeper in debt because of this. But let's get over the idea that to solve this is to make college free. Never lose the reality that free isn't free. The goal is to make it more affordable. Keep in mind that we have two college systems; the public and private. We, the citizens of states that have public colleges, and that would be all, have direct influence over these institutions of higher learning, we just don't use it. Whether it be the federal level or state level of government we, the people, are the employers not the employees. This is something we have long forgot: government is by consent of the people. States, when they joined the Union had to follow the Constitution. There could be no state monarchies. Governors are not kings and queens; they are servants of their state's citizens. We are not a direct democracy that would require every decision made in our State's capital, as well as in our nation's capital. We are a representative Republic, meaning we elect others to go to our State capital, and national capital, and represent us, we the people. They can only be effective representatives if they spend time with us learning what our wishes are so they can correctly represent us. Now they don't represent themselves, or some political ideology, though this is how we have devolved.

So, you see, to fix the costs of education we must first begin with fixing our representatives. The way we are going at it today, directly at the college/university level will be nothing more than a band aide fix, the causes will not have been resolved and the issues will rise again. We are hyper focused on the symptoms and we are ignoring the causes. We get trapped in this because the symptoms are the most visual and if we don't see immediate changes we don't believe we are doing anything purposeful.

Fevers, we have learned, are not the cause of high body temperatures, they are symptoms of something other going on inside our bodies. If our goal is just to lower our temperature but ignore why we have it we've done nothing to solve what is really wrong in our body. Now this is a good analogy because when we do spike a fever we treat the fever with aspirin or cold cloths while we look for the causes to treat them. So, too, can we come at the high costs of education by working at it from both ends; the high cost along with the causes for the high costs. But again, this isn't how we are doing it nationally.

At the front end of this issue we are back to money. We, the citizens of our state, are paying for lower education as well as a good portion of higher education for our fellow state citizens, and in terms of our colleges/universities not just for our own citizens but for students from other states, though they do have a higher

tuition for that privilege. We have made education one of our priorities and we are willing to give some of our money through taxes to pay for this. We elect as our representatives school board members to oversee our local school. As for college/universities they have over them a Board of Trustees, or Board of Regents that are either elected or appointed. Both at the lower educational level and higher educational level they represent we the people, at least on paper.

We have far more control over our lower boards than we do with college/university boards where we have no direct control at all. Here our only influence is over state government (legislators) who can exert influence by who sits on those boards and the money the schools are given by the state. I've sat in lower school board meetings and they are nothing ideal and our voices at those meetings are usually ignored. Unions have an inordinate control over our schools and school boards and while they say they are all about the children when you attend meetings you clearly see they are all about themselves first. I've seen how they control the money that comes into a school the way they want it dispersed. We didn't elect the unions to be our representative, we elected the school board members but they have been bullied, or it is their philosophy to go the way unions want them to. This means that we have to elect better school board representatives, those who have committed to representing we citizens and fight to maintain that order. And school districts become much like large businesses with the temptation to bloat their staff, money that should be going to the actual schools.

This is but one side of the money issue. Money for schools come from counties and states and just as our federal government has mishandled money earmarked for programs so too do counties and states. One of the reasons Social Security is in trouble is that money taken from our paychecks under FICA taxes does not go into a dedicated account for SS reasons but goes into the general fund. Congress borrows from this money leaving an IOU for programs they want to enact and the IOU's on them are worth nothing, not even the price of that paper they are written on. The economic health or sickness of a state directly affects money for schools. The economy both in my state of California and the nation, despite those glowing words of sitting politicians, is horrendous. In California, all those liberal "feel good" programs our legislators and governor have been spending on has taken money needed for the real needs of Californians, like education. And then, too, in this state we've decided, both politicians and too many Californians, to destroy our economy by placing restrictive and expensive regulations on both our cattle industry and farming and farmers are losing their farms and the cattle industry continues to leave the state. Both industries represent a lot of taxes lost and that loss is passed on to our schools. In terms of our lower school programs, many are cut, and in terms of our colleges/universities fees are raised.

I hope you are beginning to see that the tentacles that led to excessively high college tuitions goes deep and they must be addressed to really fix the crisis. So in terms of finding a solution to the high cost of education we've got to understand that a healthy economy solves a lot of issues, a damaged economy causes a lot of issues.

Another area we need to look at for answers is this driven need we have for every child to go to college. Education is crucial to us as individuals and to us as a society. That's why our Founders required towns to build schools. The massive influx of students into college puts a strain on the college requiring more buildings, teachers, and support staff. Back to money. And remember that colleges are not businesses. In a business that has an explosion of sales they hire more people to produce more widgets that people purchase that pays for the increase in employees and new buildings and new equipment. This is not true of colleges that only produce people with education. The costs go one way, out the door with no monetary return (sales). The larger the student population the greater the expense and someone has to pay for that so fees go up and up. To control costs, you have to control the number of students, but at a time when so many, all the way to the president of the United States, is saying every child must go to college, society now expects schools to meet the need. But how much of a need is it really?

The wise Solomon said this: "What has been will be again, what has been done will be done again; there is nothing new under the sun." Now he didn't have in mind the same context in which I'm using his words, but they certainly fit. Why do we study the past? Just because it's good history to know? There's that element to it. More importantly we study the past because past generations have gone through much of the same things we go through. The elements of life are the same even with different technologies. Ancients walked or rode

donkeys and we drive cars and fly in airplanes, but the fundamentals of life are the same. Each generation that comes into being doesn't begin with a table rasa, a clean slate that begins with them, they build off what came before them, including the wisdom of previous generations. So, much of our education is about learning from the great thinkers of the past, and reading the great books of the past as we let what they learned come into the mix of our thinking about our life today. The Enlightenment came about through this process, the rediscovery of great thinkers and literature. The goal here isn't to produce ivory tower thinkers who have no relationship to the masses, it is to produce well-balanced people with a healthy understanding of common sense who have better control of their lives, whatever their so-called station in life is, and are not easily manipulated by those who want to control. This was the ideal of a liberal art's education. But colleges/universities are not the only place where this kind of education can be had, especially now with the internet.

When I found it too expensive to continue on to get a Ph.D I dedicated two years to study every subject imaginable in-depth using books, and course studies available through tapes (cassette tapes was the extent of technology at that time). The subjects I covered were philosophy, science, especially quantum physics, religion, politics, history, to include those I disagreed with. I found that if all I learned from someone was why they were wrong I was still learning, and it was a valuable learning. When I was finished I had far more exposure to the wisdom of the world than I would have gotten from a Ph.D program. But then, I'm not finished and I now have the advantage of the internet where there are free courses of study at my fingertip.

Remember, some of our great leaders and entrepreneurs never went to college. But they did have a drive to learn, an inquisitive mind. As I've said before, I've learned more since college than I did in college, which is the way it is for us all. But for me, and I'm sure for some of you, I needed college to wake up my inner inquisitiveness, those times I would sit and look into the heavens and just wonder with awe. And it exposed me to so many who thought in ways I thought. That was the greatest thing I learned when I was led to the philosophy section in the library and picked out Being and Nothingness by philosopher Jean-Paul Sartre. He was asking questions I asked. I would come to reject his existentialism but he got me started down the road I was meant to travel. And this sounds like an advertisement for going to college when I'm arguing not everyone needs to attend college.

Let's look at a study put out by USNews:

"Among millennials ages 25 to 32, median annual earnings for full-time working college-degree holders are \$17,500 greater than for those with high school diplomas only. That gap steadily widened for each successive generation in the latter half of the 20th century. As of 1986, the gap for late baby boomers ages 25 to 32 was just more than \$14,200, and for early boomers in 1979, it was far smaller at \$9,690. The gap for millennials is also more than twice as large as it was for the silent generation in 1965, when the gap for that cohort was just under \$7,500 (all figures are in 2012 dollars).

"The gap has widened considerably, yet many young college graduates are underemployed – how do those two facts square with each other? It's not just that earnings are improving for college graduates, says one of the report's authors, it's that life for high school-only graduates has gotten tougher.

"The driver of that widening is not so much that today's college graduates are doing better than yesterday's college graduates are doing; it's that today's high school-only graduates are doing worse than yesterday's high school-only graduates," he says. "The real story is the collapse in economic opportunity for people who do not continue their education beyond high school."

When you look behind the numbers into what creates those numbers you get a fuller picture of what's going on. The term "useful college degrees" is there because there are a number of jobs, typically paying higher wages, that require college degrees. Without such a degree you won't get that job, so those holding useful college degrees are going to naturally make more money. There is a market for those with degrees.

The problem we are facing today, and the reason for our study, is that the cost to get those degrees for so many make that higher salary almost meaningless because the DTI (debt to income) is so high, mostly from earning that college/university degree. One earns the degree, one gets that high paying job but there is no real satisfaction because that debt for the degree is so high. We've been down this money road, already so we won't travel it again.

What is said in the above quote, then dropped, is this: “yet many young college graduates are underemployed.” They are not getting the jobs they believed they would get with their degree, and were told their degree would lead them to it, now have to take lower paying jobs where that college/university degree means nothing, at least in terms of employment. Left out of this are those students who party more at college than study and get bad grades, those who just are incapable of doing academic work (for a variety of reason other), and those who get their degree that go into the job market and find they don’t like the work their degree got them. Too many teachers, unfortunately, graduated with a degree in education, began teaching and hated it, but they had the degree, spent all that money, so stick in it, at the expense of students. But the push to go to college is so strong, not just from parents but society, that they give in and waste our time and our money.

WRAPPING IT UP

“According to the State Higher Education Executive Officers, four-year state schools and community colleges took in \$61.8 billion worth of tuition dollars, including money from federal loans and grants, in fiscal year 2013.” That’s a lot of money. Obama wants to forgive \$108 billion. All of this \$61.8 billion per year is taken out of the economy and given to colleges/universities who are not producing widgets that are sold and the money returned to the economy, it is swallowed up by the colleges/universities who produce people, some to be productive, others not. I’m not suggesting here that this is a straight economic issue. Productive graduates do return that investment, some become leaders that inspire us whether through science, literature, philosophy, even politics. So it’s not dollar for dollar I’m looking at here. But when you look at the massive amount spent each year and the massive amount defaulted by students and forgiveness by the government, no economy can absorb that kind of loss. The solution cannot be debt forgiveness, at least not until the causes that keep the problem moving forward are fixed. It’s like the issue facing us with illegals entering our country. We will never fix the problem that causes until we stop illegals from coming across our border. Reagan found this out in 1986 when he agreed to amnesty for so many illegals, it just encouraged others in the millions to come across the border. So unless, and until, you fix the causes nothing gets solved.

1. As we discussed earlier, at least for public education, because all of the lower education money comes from government (this means from us, the taxpayer), and a bulk of the money for higher education, when the general economy is bad, education feels the cutback in government spending. Add to this the waste state government spends on “feel good” social programs that take away from “real” needs of citizens. The economy also affects private schools as they must find new and creative ways to find money for students and institutions. In a bad economy that’s hard to do. To make up for this loss tuition keeps going up.

2. Colleges/universities public and private must recognize they cannot place too high a burden on the students (and/or taxpayers) and find ways within their institution to cut costs that can be passed on as lower tuition. Yes, all these administrative people can play a good and beneficial role for students and take burdens off lesser staff, but while it works in good times and it kills in bad times. This happens in businesses, who after they first (not all are this way) cut line staff realize the greater expense are the higher management level people who while playing that beneficial role in good times, not so in bad times. It’s not all about greed, but where greed exists it needs to be dealt with.

3. To help the burden of colleges who are overwhelmed by the number of students we need to define who really needs to be in college and open up more trade schools. Now, this isn’t the socialist way that happens in Europe where students are told they go one direction or the other based on what they did in the lower levels. Had I lived in Europe I would never have had the chance to attend college because my high school placement test put me in the category of warehouse worker. So hardline decisions ought not be how we define who goes to college, but if we give them more chances or opportunities to find meaningful life not through college then they, the child, will make good choices. And for those who are not passing their college classes, drop them like a hot rock because they are wasting good money. When and if they mature they can try it again.

4. Lending institutions, whether it be the state or private banks or whatever, need to get with schools and say we need to put our heads together and figure out how to lower the costs of education because it isn’t fi-

nancially working out. Because we are losing so much money through default we just can't keep making non-returnable loans. When the government began guaranteeing students loans, and then making loans that wasn't the solution because it did nothing to stop the rising costs of education.

5. If we find a fix for future students now we have to look at past students that have been hurt by the high cost of their education that put their debt to income way out of whack. Lenders have a choice, getting something or getting nothing. Debt forgiveness or default is getting nothing. Let's put this debt in a Chapter 11 kind of bankruptcy. A Chapter 13 bankruptcy wipes out all debt, whereas a Chapter 11 is a restructuring of the debt where not all is repaid but a workable amount is. This is possible because those future students won't be just recreating the problem. So that student who graduated with a Masters and has an \$80,000 school debt but not a job that allows for repayment because the monthly payments are so high, can benefit from their degree, and we benefit from their degree. This isn't credit card debt where bad choices were made that got one in debt, it was a debt forced on them without a choice.

When I began this study it was because I was angry about my children's excessive school debt that was making life so hard for them. They have good jobs but it still doesn't allow for making those high monthly payments on the debt. I was mad at the colleges for forcing such a debt on them and so many other students. But I also knew free school was a pipedream because someone has to pay the piper, and debt forgiveness that Obama is doing might solve the problem for those who have their debt forgiven, but it doesn't answer the problem of why in the first place.

I wanted to rant and rave over this debt, then as I began to study the issue of why tuition is so high I began to see what a tangled mess it was and that it wasn't so simple as greedy colleges. While that may be part of it, it was only a part, there were so many other factors that fed into it. We got to outrageous tuitions because of all these factors and the solution is not to take on just one factor, but them all. It's like that Christmas tree string of lights that we packed away last year so carefully and now open the box and they are in a tangled mess and we have to spend time untangling them. We can throw them away and buy new ones, but next year they will be just as tangled. We really need to take the time and build something that we can wrap the lights around so they don't become tangled.

Our Founders knew how important education was for everyone and put into play schools for that purpose. We've always recognized the value of education. But it's now a mess and it needs all of our attention and hands-on attention. The way to stop so many self-serving interests that helped get this into a crisis is for all of us to become involved and speak out and take charge where we can requiring real solutions, not just Band-Aids.