The Costs of Higher Education

Date: Monday, November 5, 2012 5:30 p.m. Location: NAU Green Scene Café

Facilitated by: Dr. Stephen Lenhart, NAU Philosophy Department
Attendance: 100

We began by considering whether education was a for profit or nonprofit enterprise. While it has traditionally been a nonprofit enterprise, there are now both for profit and nonprofit models.

What is the value of Education?

- There is value in education that goes beyond training the labor force. If the only purpose of education were to train the labor force, then employers who need qualified workers should be happy that society has absorbed the costs of educating people. It would be inefficient for the state to be involved if it were the case that education was merely a vehicle for training workers. This suggests there is another, and potentially more valuable benefit of education.
- The assumption that the primary purpose of education is to train workers represents a failure on the part of the university to suggest the value of an education that is not amenable to simple questions of efficiency that we might answer by supply and demand.

Why do we go to school?

Some students do it so they can make more money in the long term. Others find learning intrinsically valuable. Some go for social reasons, and to expose themselves to a wide variety of viewpoints. Students also recognize the need to prepare themselves to be productive members of society and help others in the future as well.



Who pays for education, and what are the obligations do students have to the public if their education has been subsidized by the public?

**Education costs. It takes money to put a university together, to build and maintain the buildings—to pay the faculty and staff.

- In-state student tuition accounts for about 33% of the costs of instruction (instruction only). This means roughly 67% of the cost of instruction is paid for by someone other than the student. Given that, the student may have some obligation to society generally, since society underwrote the cost.
- Some feel that current subsidies are inefficient and there should be no charge for education.
- While we may think that education should be free, if the state refuses to pay, the question remains, who will.
- Publicly subsidized education makes education possible for those who could not afford it otherwise.
- We might ask to what extent is it desirable to educate people? Must everyone earn a doctorate to be educated?
- Another view is that we are not entitled to an education, nor are we entitled to a job.
- It is not the job of the government to equalize opportunity in society. If you cannot pay, you can join the military to earn an education. Another option is to work and go to school part-time.
- A mother of five children believes that if you sacrifice to get your education you will value it more.

Student Debt

- The current amount of student debt in the U.S. is approximately 1 trillion dollars. This is a significant expense. Who should bear that expense? Some argue that the people receiving the education should be the one to pay for it.
- When graduates do get jobs, they may well use most of their income to pay off their debt. Eventually there may be substantial debt forgiveness.

Why do the costs of education keep rising (at a rate that outpaces inflation)?

- From 1973, tuition has increased 8% per year which means that the cost of tuition doubles every nine
 years.
- When state funding decreases, the number of loans students need to take out loans increases, and lenders make more money from interest on the loans. In many instances, however, it is the federal government, and not the individual who is paying the interest on the loans.
- In the 80s the state paid 60% of each student's cost. That amount is significantly less now.
- As long as we are willing to pay, the price will continue to rise.
 - As prices rise, opportunities for competition emerge, especially alternative forms of education, such as online education.
 - As education becomes increasingly available, degrees may lessen in value.



Possible Cost-Cutting **Strategies MOOCS** – Massive Open Online Courses – were suggested as a possible cost-saving strategy.

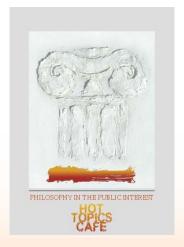
- Students responded that there is an important difference between classroom and online instruction. Students come to the university for the opportunity to interact directly with instructors and peers.
- Students say they learn from discussing ideas with others and that electronic communications are not comparable to in person communications. The Hot Topics Café is an example of the value of face-to-face communication.

What is education?

• The university system is not coextensive with education. There are educational opportunities in the workforce and elsewhere.

Ethical and Social Issues

- Some believe that education and health care are in the same category insofar as they have been taken over by for profit enterprises.
- Inequality despite education: There is a gender gap in pay, and despite your education, there is a significant discrepancy between what women and men earn. Gender and social equity is an interesting issue, and one we might explore at another Hot Topics Café.



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