

EDUCATION NEWS

An Interview with Neal McCluskey: Profit, Non-Profit or No Profit?

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1) Neal, I just heard that you have released a review of Senator Tom Harkin's review of for profit colleges. What say you?

Basically this: The for-profit college sector is certainly rife with taxpayer-money fueled waste. But, the data make clear, so is all of higher education. So why doesn't Sen. Harkin rip apart the entire Ivory Tower?

Because then he and many others in Congress would have to admit that the root problem is their own fault — that they are the ones who give out hundreds-of-billions of dollars to often utterly unprepared students — and they would have to seriously discuss shrinking student aid. But that would mean hobbling a great vehicle for currying favor with voters.

2) First, let's talk completion rate in these various places- community colleges, 4 year private, and 4 year public—what do we see ?

Keeping in mind that the federal data is only for first-time, full-time students, we see atrocious completion rates. For 4-year privates, only 65.4 percent finish their programs within 6 years at the institutions where they started. For 4-year publics, only 56 percent do that. And for community colleges, only 20.4 percent of students — 1-in-5 — finish their programs at the schools where they started within 150 percent of the expected time.

3) Now for some SERIOUS students, college is a step in the right direction—toward medical, dental, vet, law school. Any feedback in these realms or data about the HARD sciences?

I can't think of any comprehensive data showing completion by level of seriousness, but top-ranked institutions in lists such as those put together by U.S. News — which tend to serve the top students — almost always have very

high completion rates. No one in the top-25 for national universities has a 6-year graduation rate below 86 percent, and most are well in the 90s.

4) Now, let's face it, or perhaps some would not rather face it- but some students go to college to "find themselves"...and it takes more than four years—if parents are paying- what's the problem?

If parents or the students themselves are paying there's no broad problem — they aren't finding themselves with someone else's money — though from a personal perspective that might be a very expensive search that could, perhaps, be more efficiently done by getting a job. But that's a decision people need to make on their own.

5) Neal, as you know I have been moaning and groaning about the lack of preparedness of students coming out of high school. Do we blame them, or perhaps inclusion, for students being poorly prepared and needing developmental/remedial education?

There's blame to go around everywhere, but arguably the biggest problem is that politicians, especially, tell everyone — regardless of their desire or ability — that college is the key to success, then—they give them money to go. In light of that, we shouldn't be at all surprised that lots of people show up unprepared, and many drop out.

6) Let's pick on a few majors and minors- humanities, philosophy, religion, women's studies- does having a major or minor in one of these areas prepare students for "a good life"?

What constitutes "a good life" is going to vary hugely from person to person. Some people may feel totally fulfilled having majored in those areas even if they don't translate into earnings. Others, not so much. The important thing is that people pay for their studies either themselves or using money others voluntarily give them. That is how you make sure people are seriously and fully contemplating whether those majors will really maximize their happiness, or whether they are just ways to put off making hard but necessary decisions about one's life.

7) Now- the role of the Federal government and taxes- what are the issues?

The primary role of the Federal government in higher education has been to provide aid to students to pay for college. That aid comes in the form of grants, loans, work-study, and tax-based incentives. Overall, its main effects seem to

have been to enable colleges to raise their prices at extreme rates, and to encourage lots of people to pursue studies they either don't complete or that don't provide them with significantly enhanced earning potential.

8) Neal, I would not say I am a "Taxed Enough Already" person, but I would like to think my tax dollars are being wisely spent. I would ask you and Tom Harkin—are they?

Absolutely not. Our higher education tax dollars are wasted.

9) Where can I get a copy of the report?

Right here, but beware — it is long!

http://www.help.senate.gov/imo/media/for_profit_report/Contents.pdf And my response is here: <http://www.cato-at-liberty.org/youre-destroying-the-whole-tower-stop-blaming-it-on-the-basement/>

10) What have I neglected to ask?

I think you got it all.