

Education News

Interview with Neal McCluskey: Costs and Benefits of College

November 14, 2011

Michael F. Shaughnessy
Eastern New Mexico University
Portales, New Mexico

1) Neal, first of all, I understand that you are about to have a CATO/CCAP Conference—tell our readers about this and all the details and specifics.

The conference – cosponsored with Richard Vedder’s Center for College Affordability and Productivity – is Friday, November 18, from 8:30 to 3:00. The general theme is increasing faculty productivity, with the jumping-off point being on-going efforts in Texas to measure productivity at flagship state institutions. Indeed, a Texas Tribune article today hints that perhaps the University of Texas released a new report on the productivity of its faculty in anticipation of our event. I think, though, that the conversation will end up encompassing more than just measuring faculty output, becoming a broad discussion of the entire higher education system.

Indeed, to telegraph what I’ll be saying in my panel a bit, while I think measuring faculty output is probably a good thing, it will never be allowed to carry meaningful consequences if most funding for education comes from taxpayers and other third parties. We need to change that before we can expect anything else to really improve.

It should be a heck of a good discussion, and it will allow a lot of different viewpoints to get much needed exposure. People can register here if they will be in DC and would like to attend.

2) Neal, now for the jugular vein—the key question is “ Are We Getting All We Can From Higher Education “? Let’s put this in context- where did this question come from?

This comes from lots of places. People have been debating the efficiency and effectiveness of higher education probably since the first ivory brick was laid, but it has become an ever-bigger question as both prices to students and costs to taxpayers have skyrocketed over the last few decades. It has probably come to a head, though, in just the last few months, through a combination of the recession, Occupy Wall Street, the goings-on in Texas, and President Obama’s recent student loan proposals. People of various political stripes seem to be reaching one shared conclusion: The price of higher education is too darn high!

3) Neal, who should be the final judge of this question?

I suppose that is something that will be hotly debated. Some seem to want that decision to be made by faculty members, some by productivity assessment formulas, some by politicians, and some by the free market. I'm in that last camp, wanting students to pay for college with their own money or funds voluntarily given or lent to them by others. How they choose to allocate their funds will dictate the best higher education arrangement. Then the money is spent in the context of all the competing demands for people's resources, and how much, say, classic departments get versus engineering departments won't be dictated by politics.

4) Now, let's go to the big picture- one student majors in pre-med, becomes a doctor- another takes theatre classes and goes on to Broadway and movies. Both students may have gotten all they could get from their higher education- but who does the follow up ?

No one, at least designated by government, should do the follow up. Whether or not one major worked out better than another is largely a subjective matter, based on the happiness derived from it by the student. So the doctor might hate his job but make a lot of money, while the theatre major might make a meager sum but be very fulfilled. Who is to say other than each person who is better off (though federal measures would say the doctor is because financial outcomes are so much easier to measure than psychological.)

Of course, if a graduate can't repay a loan because he had a major that provided very limited employment opportunities then it also becomes a matter for his lender, but in a free market someone planning to major in something with poor marketability would have to show high ability to succeed in order to get a loan in the first place.

5) I have to pay homage to the local community college I attended and my alma mater Mercy College in Dobbs Ferry, New York, in that both provided a quality education, a well rounded robust education, and prepared me to do doctoral work, both directly and indirectly. Should I be contacting someone there to say "Job Well Done"?

It would be nice, and hopefully Mercy keeps a list of alumni outcomes. But most schools probably don't collect outcomes systematically, nor, perhaps, would we want them to. I'd sure hate to have to tell my alma maters every time I got a new job or my remuneration changed. But that's ultimately what a lot of public policy wonks seem to want: For the federal government to be able to connect every graduate's employment and earnings status back to the schools they attended in order to mete out punishments and reward to schools.

6) A college might have two students- one with an I.Q. of 100 that graduates with a 2.0 gpa and another with an I.Q. of 130, that graduates with a 4.0 gpa. But who is to say who benefitted more?

Another good consideration. Basically, how do you adjust for growth over time and starting and ending points? And you'd need to know what those students majored in as well. And did they both have minors? Or double majors? Or were they in certificate programs? What were their extracurriculars? Did they have internships? Start to

contemplate all the variables, and you can begin to get a sense of how hard it is to measure the productivity of higher education, and why you don't want government trying to do it.

7) Neal, let's talk "productivity of faculty members". I have done a few books, a couple hundred articles, a few book reviews and even some Internet postings. But who is the final arbiter of my productivity? And does the college /university administration even care about my interviews or book reviews? Should some of my graduate students care? My undergraduates care?

You just keep illustrating how hard in reality it is to do something as easy-sounding as measuring productivity. How do you measure books versus articles? Teaching quality? Interviews with policy dorks such as yours truly? And the list goes on.

This is not to say, though, that you don't try to measure productivity and reward or punish faculty members accordingly. You probably do, but you must leave it up to individual schools to try different things. Basically, when you don't have one, clear answer to a problem, the best thing you can do is decentralize and let lots of different approaches be tried. Those that work better will tend to attract faculty and students, those that work worse will be left behind, and the better options will bubble up to the surface.

🤔 Many faculty support local community events and organizations- the Lions Club, the Boy Scouts, AYSO soccer etc. Obviously they are not in their office keeping office hours—but who weighs these contributions?

These seem to be less of a problem to me. An accountant or factory worker probably doesn't get job evaluations that factor in community involvement – though maybe some do – and I don't think professors should, either.

Volunteer on your own time and it is just that – your own time. Which is not to say I'd prohibit a school from considering such activities – maybe they are professionally useful in ways I haven't contemplated – it just wouldn't happen in the mythical college where I am president.

9) To use a phrase "Bang for your buck"- Are college students getting a good long term return on their investment? What about parents? Are they getting their money's worth if they are footing the bill? And what should SOCIETY be getting in return for their investment?

I just answered this in CQ Researcher, which you can read here. I'll just summarize my answer by saying that on average a college graduate will earn enough thanks to his or her degree that he or she will have a net gain from taking on average debt. But there are lots of students who are not average graduates – including the huge numbers who never complete their programs – and the cost of college is seriously over-inflated thanks in large part to financial aid. So, the cost is probably something many students do much more than recoup, but it is nonetheless way too high.

10) Neal, I have to say that college opened up an entire new world for me, after a dreary dismal, high school full of four dull monotonous years-I have to say it did turn my life around. Can you put a price tag on that ?

We have to — we have finite resources, and prices give us the relative value of all of them. When you choose higher education, you have no choice but to not choose full-time employment, or buying a new car, etc. And when government gives aid to students, it is necessarily money government or taxpayers can't use for something else, whether it's repairing roads, buying your kids new shoes, or investing in the stock market. Until we live in a world of limitless abundance we cannot make anything priceless.

11) What have I neglected to ask?

I think you got it. Just remember to register for our conference if you'll be in DC on November 18!