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1) Neal, as always, you seem to have a very interesting event coming up. Could you tell our readers about it?

Sure. Last month we released an analysis by Oklahoma State professor Vance Fried showing that putatively nonprofit colleges make big profits off of undergraduates, in the range of between \$2,000 and nearly \$13,000 per student. Our event, to be held at Cato on July 19, will examine these findings and look at ways in which federal student aid, especially, is fueling this massive profit-making. The event will feature Prof. Fried, APLU President Peter McPherson, and the Brookings Institution's Grover Whitehurst.

2) What seem to be the main issues in this debate?

First off, the magnitude of college profits — there are big debates, for instance, over how you account for research and graduate student funding — and how sizeable a role federal policy plays in making undergraduate students into profit centers. Perhaps the most important thing we hope to get from the event and paper, though, is recognition that it's not just the much maligned, openly for-profit institutions that are making big bucks off of taxpayers. It's all the units in the Ivory Tower.

3) Just so we are all speaking the same language, how do YOU define a non-profit college or university?

I can tell you how Fried defines making a profit, and I agree: Bringing in from a service more than it costs to produce it. And based on available data, that would make schools of all stripes for-profit institutions. The basic difference in how schools are now categorized is that some are upfront about profit-seeking and they reward investors, while others reward the people within the school.

4) A lot of non-profits may make a good profit as they use or perhaps I should say abuse a lot of adjunct non-tenure track professors. Am I off on this?

Using adjuncts is certainly one way to keep production costs down, but I'd disagree with "abuse." No one forces someone to become an adjunct, they choose their own path. The fact is in many fields there are a lot more Ph.Ds than there are jobs, and people should know that when they pursue an academic career. The system doesn't make the choice for a person, the person does.

5) Some " non-profits " may have a religious or spiritual leaning- do you include places such as Holy Cross, St. John's University?

Fried's report doesn't break schools down into religious and nonreligious, but looks at aggregate numbers for different sectors of higher ed. There is no evidence that I am aware of, however, that religiously affiliated schools are generally less likely to take in more from undergrads than they expend on their education. The fact of the matter is that everyone has something they think is good that they could do with more money — whether it's building a new lab, a new recreation facility, or paying professors more — and will grab more money if they can.

6) Neal, I know that in SOME of the 50 states, some colleges have to keep a small amount of money for emergencies- are these non-profits subject to these same laws?

Fried's report doesn't touch on that, but I'm almost certain they do. I vaguely recall some requirement that all schools must keep enough on hand to at least finish an academic year, but I'd have to double-check if that's true and where the requirement comes from.

7) Some " non-profits " continually put money back into lab equipment, expanding parking lots (in spite of more and more classes being held on line) and sports facilities. Is this good management or just a shell game?

Here's the problem: It might be and it might not be. If students were paying for college with their own money, or money voluntarily given to them by others, there would be much stronger incentives for schools to be judicious in selecting what to fund and what not to fund. However, with so much taxpayer money involved — in the hundreds of billions if you include state and federal subsidies — both students and schools are much less constrained, and much more likely to do things that aren't really necessary. So that expanded parking might be essential, or it could be that students would have been happy to ride their bikes more if they were paying the costs themselves.

😬What do you see as the issues for taxpayers? Senators and Congressmen?

The issues for taxpayers are simple: Why are they shelling out so much for undergraduate education, and why is there so little information about what schools are actually doing with the money? For members of Congress the issue is when will they start talking straight about what we're actually getting for our federal "investment" in higher education, rather than simply spending more on the feel-good — but wrong — assumption that subsidizing higher ed makes it "more affordable"?

9) What have I neglected to ask?

I think you got all the good stuff.