8 April 2024 / Is college still worth it?

[BILLBOARD]

SEAN RAMESWARAM (host): Welcome to episode 1,500 episode of *Today, Explained*, which is of course a serialized program so if you haven’t heard the previous 1499 episodes please go back and listen before starting this one.

[BEAT OF SILENCE]

SEAN: Just kidding! April Fools. Too late! I’m the fool, whatever. Let’s get to work.

SCORING IN—GLASS FUNYUN

SEAN: College is having a tough go in the United States. FAFSA’s broken

*<CLIP> NBC NEWS: According to a recent survey of college officials 67 percent think they will not be able to process financial aid in the next few weeks.*

SEAN: There’s campus drama.

*<CLIP> NBC BAY AREA: For the past month this gate has been at the center of a debate between pro Israel students and pro Palestine students.*

SEAN: And then of course there’s just the sticker shock!

*<CLIP> AUSTIN POWERS: Dr. Evil: One hundred billion dollars!*

SEAN: And Americans are taking note. Polling suggests that college seems like less and less of a good deal to young Americans.

How to turn that around, coming up on the program today.

[THEME]

SEAN: Sean Rameswaram. I went to a public university. It didn’t cost an arm and a leg. My dad paid for it. I’m lucky. Liam Knox is less lucky.

LIAM: I went to Tufts University, the least well known of the Cambridge, Massachusetts, private institutions.

SEAN: His dad didn’t pay for it.

LIAM: There are times when I am very grateful for it, and then there's the end of the month when the bill comes in. When I start to regret going to such an expensive institution.

SEAN: And this is why we reached out to Liam. He’s now a reporter at Inside Higher Ed, covering admissions and enrollment. And the vibes on admissions and enrollment aren’t good. We asked him if it was more than vibes.

LIAM: It is. It is more than vibes. The vibes. I don't want to downplay the importance of bad vibes when it comes to, the enrollment crisis in higher ed, the crisis of confidence in higher ed, American sentiment toward college, toward higher ed is at an all time low.

SEAN: Huh!

*<CLIP> CBS NEWS: “a new gallup survey says only 36 percent of Americans are confident in higher education. That’s down 20 percent from 2015.”*

SEAN: Is this just a perception that college isn't worth it anymore, or does this bear out in enrollment numbers too?

LIAM: Yeah, it's a huge issue with enrollment, and the two are inextricably intertwined. Enrollment has dropped an enormous amount since the pandemic. There are 1.2 million less students in college than there were in 2019. But even before then, it was falling at a gradual rate.

SEAN: There are a lot of reasons college might feel like a turnoff right now to young Americans, but, but what reason would you say is, is foremost on the minds of students when they're making this decision to maybe not enroll?

LIAM: Cost. Cost is the most important thing.

SCORING IN—PARACHUTE DREAM

*<CLIP> THE NATIONAL DESK “A WSJ poll found that most Americans don’t think college is worth the cost. The poll found 56 percent of Americans think it's a bad idea, compared to 42 percent who still think it's a good investment.”*

LIAM: There's a lot of hay made about colleges’ political perception problem. It's free speech issues. You know, the things that do dominate national media headlines, the things that dominate not just right wing media, but mainstream media and liberal media as well. Campus culture wars is is, a ubiquitous phrase these days. But when most Americans say they don't feel confident in the value of college, they're not talking about those issues. They're talking about money.

SEAN: Well, let's just cut straight to the chase here, Liam: is a four year college degree worth it?

LIAM: I think the unsatisfying answer is that it depends. It depends on the kind of degree you're pursuing. The college you're attending obviously. Depends on the cost of the program. How much loans you're going to have to take out. But there are degrees that aren't just worth the investment, but they boost your lifetime earning potential by, you know, 50, 100, 200%.

SEAN: Two-hundred!

LIAM: Or up to even higher. There are degrees, particularly in the hard sciences and engineering and computer science. That right now are, you know, massive socioeconomic mobility engines. And then there are degrees that barely give you a leg up over a high school graduate, at least in the first few years.

SCORING OUT

SEAN: I think I have one of them. <laughs>

LIAM: <laughs> Yeah. Me too. Me too. It's called being a history major. But the truth is, the question is more complicated than just. Is this degree worth it, or is this degree going to give you a return on investment in earnings? If that were the only question, the answer is an overwhelming yes. But the more relevant and more complicated question here is, is the value proposition of college. The calculation that takes into account things like debt and opportunity cost as good as it was 20, 30, 40 years ago. And the answer there for a growing number of Americans is, no, it doesn't necessarily increase your wealth. Often it can saddle you with crippling debt.

SEAN: How do we get here? Because college used to just be. A widely perceived and agreed upon good deal, a quicker way to the middle class, if not the upper middle class, if not wealth.

LIAM: It's a too long story. I'll try to keep it short

SCORING IN—HOME FRONT SALUTE

From its earliest days, higher education in America was always an ivory tower. It was essentially an extension of boarding schools for the wealthy elite. Or they were professional schools for professions like teachers, the clergy, things like that. That's what that's the history of a lot of institutions in America that changes around World War Two, when the GI Bill is passed, making college vastly more accessible, fueling the largest rise in socioeconomic mobility at that point in American history at that point in American history.

*<CLIP> GI BILL OF RIGHTS: Through the GI bill of rights the government pays Sgt. Brown’s school up to 500 dollars a year, while Brown gets 50 dollars a month for subsistence. If he was married he would get 75.”*

LIAM: At that time, what college is, is, is a direct path to a job. It's a direct path to the middle class, to stability, to comfort. There were plenty of institutions. There were exceptions. But for the most part, especially when you're talking about public institutions, that's the role they played.

SCORING OUT

LIAM: In the late 70s and the 80s, that starts to change.

SCORING IN—CONCRETE JUNGLE

LIAM: Higher ed starts to take on this kind of permanent and rapid, almost exponential growth mindset. Not at all colleges, but a lot of them in the way they're managed, in the way they're run,

*<CLIP> WARTBURG COLLEGE PROMOTIONAL VIDEO, LATE 1980s: “high school seniors, you are being pursued by a dozen or so top notch colleges and universities. You may begin to think you are pretty smart or pretty good. I got news for you: no matter how good you think you are, you are probably even better.”*

LIAM: they're no longer content to just serve their historic missions. They want to grow. They want to make more money. They want to attract more students. They want to do more research. They want to get more grants. The lines between universities and corporations start to blur. The biggest universities start investing their endowments like hedge funds,

*<CLIP> CNBC: These college endowments have gotten to be financial giants, now totalling over 800 billion dollars…”*

LIAM: Pumping money into amenities and sports programs …

*<CLIP> TEXAS A&M COLLEGE FOOTBALL PLAYER: “This is the cold tub and hot tub. I would say it's one of the best cold tub hot tub rooms in college football.”*

LIAM: … making it an experience to market and not just a degree that's directly connected to a job. The franchise of higher ed, the demographics served by the sector expands tremendously. That helps make up for a loss in state funding, which starts to decline pretty much around the same time. Call it kind of the bleeding of austerity. Reaganomics into higher ed and colleges keep growing. The costs for students are going up at the same time, though, far past the rate of inflation. And that continues for decades as the student debt bubble balloons and cost continues to increase. Students are still going to college. There's still this wide faith in higher ed as a reliable engine of socio economic mobility.

SCORING OUT

SEAN: So everything's hunky dory until when exactly.

LIAM: The chart go up until about 2010. There's kind of a peak there where enrollment starts to fall, and you have people formulating theories like the demographic cliff, which is this kind of unavoidable shift in demographics resulting from falling birthrates. You know, that the traditional high school graduate age student there are just less and less of them every year. So enrollment is already on the decline when the pandemic hits in 2020. And kind of puts the decline into hyperdrive.

*<CLIP> CBS NEWS: Community college enrollment is particularly down, as is unfortunately black and african american enrollment, especially among Black and African-American men.*

LIAM: Over the past few years, we've seen it, it has stopped declining, but it's going up at a snail's pace and not reaching even close to the pre-pandemic levels. So really kind of leveling off at the bottom.

SEAN: Can we talk about the consequences of this trend continuing downward because they must be far reaching, right?

LIAM: Absolutely. It's not just that the higher ed sector struggles financially, that colleges close, that students lose out on opportunities, that pathways to the middle class are shut off. It's also a huge state workforce problem. It's a huge economic challenge. The decline in higher education enrollment, the decline in post-secondary degree earners, the decline in skilled and trained workers in fields like social work, public school teachers. In many states, the shortages are astounding and they're making up for it with with online credential programs and teachers are going in, untrained and unprepared social workers are desperately needed in a lot of parts of the country. And because it costs so much to get that degree and it pays so little to have that job, they're not doing it. This country runs on skilled workers and higher ed produces them. And so when fewer and fewer people have are getting those degrees and getting that training because it's just too expensive, or the perception is that it's just too expensive, either way, the outcome is the same and that outcome is, is bad across the board.

SEAN: You make it sound like this is one of the most pressing problems we face as a country, and yet I don't feel like lawmakers are freaking out about this particular problem. Are they? They're banning TikTok?

LIAM: Yes, at the national level, lawmakers are freaking out about all sorts of things when it comes to higher ed, about campus speech and about campus anti-Semitism and about DEI. And the thing that gets left out of the picture is the very future and existence of these colleges as public institutions, institutions of public good.

SCORING FADES IN—River Keys

LIAM: There are plenty of states that are grappling very seriously with this issue, though, and have been for a while. A recent success story that is especially heartening is Minnesota …  
  
SEAN: Oh!  
  
LIAM: … which has really put its money where its mouth is.

DRUMS KICK IN

SEAN: Liam Knox. Still has student debt if you’re listening, Joe. Works at Inside Higher Ed. Read him at Inside Higher Ed dot com.   
  
We’re heading to Minnesoeta when we’re back on *Today, Explained*.

[BREAK]

*<CLIP> PRINCE: <ORGAN PLAYS> Dearly beloved we are gathered here today to get through this thing called…”*

SEAN: To*day, Explained* is back. Liam Knox from *Inside Higher Ed* is gone. But *Today, Explained’*s own Philadelphia bureau chief, Miles Bryan, is here. Miles, why are you here?

MILES: Well, as Liam mentioned right before we left off, Minnesota is this bright spot when it comes to doing something about the high cost of college. Here's a little bit more, he told us after the interview.

LIAM: State budget surpluses were up across the country last year, and very few states actually put any of that toward higher ed, toward financial aid, anything like that. Minnesota did.

MILES: And, you know, that's personal to me because I grew up in Minnesota.

SEAN: Wait, *Today Explained*’s Philadelphia bureau chief isn’t from Philadelphia?

MILES: I am not. I am from Minneapolis, Minnesota, don't ya know?

SEAN: Janky. [laughs]

MILES: Anyway, I wanted to get back to my ancestral home and get behind the mic to see what's going right there.

SEAN: Nice. What did you find?

MILES: Well, let's start at Washington Technology High School in Saint Paul, Minnesota.

AMBI IN—SCHOOL BELL

SCORING IN—NEUTRAL Satoshi

MILES: This is a huge public school. It actually includes a middle school as well. And focus on science and math. And about 90% of the kids who go here qualify for free or reduced lunch. You know, these are families that are working class or low income. So for the kids getting ready to transition out of high school and figure out what they do next. The cost of college is on their minds. You know, that's a big factor in making that decision. Yeah, I talked about this stuff with one of those young people, Jorge Vargas. He's a senior. He's 18. His family's from Honduras, and he would be the first of them to go to college if he goes.

JORGE VARGAS: My parents always instilled college, so that's always been my number one thing. But then lately I've been having second thoughts about it. So I thought the military would be the next best choice.

MILES ON TAPE: Why did that come up as an option for you?

JORGE: Just because it'd be a decent paying job straight out of high school? That's the only thing I like about it.

SCORING OUT

JORGE: I’ve never been much of, like, a patriot.

SEAN: So, wait, Jorge’s considering the military instead of college. But he's not that into the United States?

MILES: Yeah, yeah, that struck me as a bit strange too. So I asked him about it. And there are two things you got to know about Jorge. He's not much of a patriot, as he said, but he is very into the military look.

SEAN: What???

MILES ON TAPE: Did you, like, watch any movies or TV shows or read books about the military, or was there anything that I got you psyched about?

JORGE Just like TikToks and like, lifestyles in the military and in basic training. I was like, okay, I see myself doing that, but.

MILES ON TAPE: Can't you give me a description of one or two? I haven't seen any of these.

JORGE: Just like the regular lives and like, elements of the day, which is basically just their uniform.

MILES ON TAPE: You like that? Let's get dressed with me. And it's every day it's the same outfit. Yeah.

JORGE: And like, I don't know, just like that schedule and someone telling you what to do, especially when you don't know what you want to do. That makes sense.

MILES ON TAPE: I think it does make sense.

SEAN: Well, hold on a second. So. So he's not a patriot and he's into fashion, so he wants to join the military. Now I’m twice as confused!

MILES: Yes, this might be somewhat confusing if you don't spend a lot of time on TikTok. But Jorge is a fan of the Air Force aesthetic.

MILES ON TAPE What are we seeing?

JORGE: So you see her taking care of her, her blazer, navy blue blazer with like yellow stripes…It's super cool.

MILES: And he also is worried about spending a lot of money on a college degree, money that he might not be able to pay back. Whereas if he joins the Air Force, he has guaranteed income, he's not taken on debt and he has guaranteed fresh looks

MILES ON TAPE: So you're like college or blazer? College or blazer?

JORGE: Exactly. That's a hard decision.

MILES ON TAPE: <laughs>

SEAN: So Jorge is one of these people that we talked about in the first half of the show. He's one of these people who might not go to college.

MILES: Exactly. And in recent years, more and more of those kids in Minnesota have been opting for the non-college route. Scott Olson is the chancellor of the Minnesota State system, which manages most of Minnesota's public colleges and universities. He told me that enrollment there peaked in 2011. You know, about the same time as it did nationally and then went into this slow decline.

SCOTT: And that rather steady decline then hit Covid, and institutions like ours were impacted pretty strongly by that. So in 2020 through this year, there was an even steeper kind of drop off as students decided maybe to do something else. There was the economy was red hot, so there were lots of jobs you could get if you didn't go to college. And then, you know, college wasn't maybe all it was cracked up to be if you were, you know, studying, you know, on zoom instead of being in a classroom with other students.

MILES: So things were looking pretty dire. But then…

SCOTT: But then but then this year we saw the enrollment bounce back. And that's the first time in a decade that we've seen that

SEAN: It bounced back! This is the thing Liam told us about. This is the Minnesota success story.

MILES: Yeah, exactly. And this story, it's origin is not in the higher education system. It's in state politics.

SCORING IN—ROWING WESTWARD

MILES: In the fall of 2022, Minnesota Democrats surprised everyone by winning.  
  
SEAN: <chortles>

*<CLIP> FOX NEWS: LAWMAKER: You didn't think this would happen. And it happened. REPORTER: Senate Democrats pulled off the night surprise, retaking a 3433 majority. The DFL kept control of the House and with Governor Tim Walz winning reelection. Democrats have a trifecta.*

MILES: So this was huge. It was the first time Minnesota Democrats had full control of the state government in a decade. It took them by surprise. They didn't. They didn't think they were going to eke it out. And as you heard, their majority was very slim. You sort of like Congress before 2022. But instead of getting bogged down trying to satisfy Joe Manchin types,

*<CLIP> JOE MANCHIN: This Is a no.*

SEAN: <chortles>

MILES: Minnesota went on this progressive speedrun.They codified abortion, they legalized marijuana, they guaranteed paid sick leave, and they pumped a ton of money into higher education.

SEAN: Nice.

MILES: Gene Polowski spearheaded that initiative. He's the chair of the Minnesota Statehouse Higher Education Committee. He told me that state had been under-investing in its colleges and universities for years.

GENE We had two things. The first was in some cases, it was a revelation of just how much we had declining enrollment. Secondly, we were looking at the need. We have a crying need in Minnesota, and I think across the United States for workers. So the goal was then how do we turn this declining enrollment around? And then also, how do we invest in a way where we're going to get skilled workers?

MILES: So Minnesota lawmakers were tackling this problem that Liam brought up in the first half of the show, which is this growing shortage of skilled workers. And their investment pays for two big things, tuition freeze at most public schools and a scholarship program called North Star Promise, which pays college tuition and fees for any Minnesota resident who wants to go to an in-state college and whose household makes less than $80,000 a year.

SCORING OUT

SEAN: Okay, so two things here. They say, let's stop raising tuition. Let's help people pay tuition. Sounds pretty common sense. How's it going?

MILES: Yeah, well, it's still early. You know, the North Star promise is going to start paying for kids tuition this fall, but there's already kind of tentative returns that, that show some success here. You know, enrollment is up slightly at Minnesota state schools this year for the first time in a decade.

SEAN: Huh!

MILES: And applications for next year are up by about 20%.

SCOTT: You know, this is a podcast, so I just have to paint a visual picture. But you will see …

SEAN: <giggles>

SCOTT: … lots of billboards and social media with perhaps the mascot of a particular school with icicles coming off their nose or beak or stinger, and the word tuition freeze being tied. You know, Minnesota, it's called the mascot froze, tuition froze. Right. So there's a lot of playfulness around that idea. And then a lot of stuff on social media and billboards and things about the North Star promise and what it represents, and usually leading with the words free tuition

SEAN: Are other states doing this or is it just Minnesota with its, like, freeze puns and its Democrats’ in control of everything?

MILES: Well, there are other states with similar programs that have been in effect for a while, and there's also been a bit of a ripple effect in the Upper Midwest region as well. You know, North Dakota recently announced its own version of the North Star Promise program.

SEAN: Huh!

MILES: South Dakota is lowering tuition fees for Minnesota residents.

SEAN: And those are states, I imagine, where it's not just Democrats in control.

MILES: Yeah. Yeah, exactly. All these states are concerned about long term worker shortages. Ultimately college is a smart decision when students don't have to take on too much debt to get a degree. It's … doesn't seem that complicated. It's a good deal. When it's a good deal, it's worth it when it's worth it. And I think what Minnesota is doing kind of demonstrates that.

SEAN: But it did not convince Jorge. Or did it? Where does this leave our boy Jorge with the fashion and the military and the no t being a patriot?

MILES: Well, Jorge is starting to get financial aid offers from schools he applied to, and he should get a full ride to any in-state public school through the North Star Promise program.

SEAN: Great. So he’s set.

MILES: Not quite. There's a problem.

SEAN: Wh–the fashion?!

MILES: Related, but a little different. George does not want to go to college in Minnesota. He is ready to get out of Minnesota. He's got his heart set on, Loyola Marymount University in sunny Los Angeles, California.

SEAN: No! <laughing> That's so far away, Jorge!

JORGE: Well, my parents want me to stay in-state. They're like, yeah, why would you go to the state and put yourself in thousands of dollars in debt? So it's, it's a, pushing factor to stay here with the North Star Promise, and it's a great choice. And I'm really happy that I'm fortunate to have it. But again, I really want to get out.   
  
MILES ON TAPE: <laughs>  
  
MILES: So I don't know.

SEAN: Listen, as someone who went to college in Los Angeles, I get it. But I thought this whole time we were talking about Jorge’s choice between college in Minnesota and the Air Force. And now he's throwing Loyola Marymount into the mix?

MILES: Yeah. You know …

SCORING IN—THE NIGHT IS GOOD FOR MOURNING

MILES: We've been talking about college kids as these rational economic actors sorting through all this data and making a decision based on the hard numbers. But,most of the folks making the decision about whether or not to go to college are 17 and 18, and maybe they spend a lot of time on TikTok, and maybe they dream of leaving the frozen tundra of Saint Paul, Minnesota to, you know, find their spot in the sun in Los Angeles amd states like Minnesota, they can't solve for all that stuff. I think what they can do and what Minnesota is doing, is making the decision simple and providing economic opportunity for those who want to take it, to get to get a degree and not end up in crippling debt. And that still might win over Jorge. He's got a couple more weeks before he has to make his final decision.

SCORING BUMP

SEAN: Miles Bryan. Philly resident, Minnesota native, *Today, Explained* producer and reporter.

Miles was edited today by Matthew Collette with help from Amina Al-Sadi. We were fact checked by Laura Bullard with help from Hady Mawajdeh. And we were mixed by Patrick Boyd with help from Rob Byers.

Here’s to the next 1,500 episodes of *Today, Explained*.