Milton Freidman often drove home the point that economic freedom was a necessary component to all the other freedoms, such as political and religious freedom. The idea being that the freedom to choose is a vital element of being human and that economic freedom is the canary in the coal mine of all the freedoms. It is the one that is easiest to curb or eliminate and so a society that curtails economic freedom is either on the way to curtailing other freedoms.

Of course, not all freedom results in good actions on the part of those who yield it. The converse to Friedman’s point-of-view that economic freedom is required to have a good society is not true (nor would Friedman have espoused it) – just because you have economic freedom doesn’t mean that people will necessarily be wise in using it.

Labor unions and their interactions with management of both the steel and auto industries are excellent examples of stupid reasoning on both sides. I personally saw, albeit from the outside as teenager, the excesses of the steel industry. During the ‘fat’ times, union leadership secured all sorts of benefits from a management that was eager to make huge concessions on the perks each worker would have rather than rock the boat and risk a strike. I knew steel-workers (fathers of my friends) who had 13 weeks of paid vacation each year, received a new pair of boots every two weeks, and who enjoyed other benefits that seem as extravagant to me now as they did then.

Similar excesses were rampant in the auto industry and, while there is no reason to go into details here, as they are amply documented elsewhere and in many places, the resulting unsustainability led to the movement of these jobs from the ‘rust belt’ and into the right-to-work states all throughout the south. One need only look at the hollowing out of Detroit to appreciate the catastrophe that occurs when freedoms are abused.

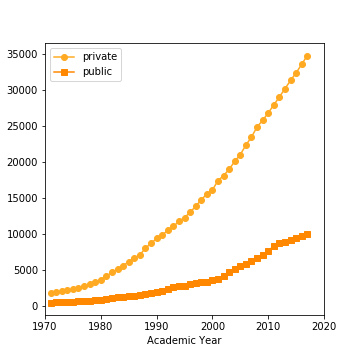
Both sides of the equation, management and labor, thought little of sustainability and the long-term impact their actions would have. They were living high on the hog and didn’t see a reason that the party would ever end.

I see a lot of similarities between these sad, old episodes and the current culture surrounding higher education. Case in point is the news that accompanied the resignation of the president of Michigan State University amid the Larry Nassar scandal.

Much of the abuse attributed to Nassar occurred around the MSU training facility and, for better or worse, President Lou Ann Simon was pressured or felt that she needed to step down. I am not interested in picking over the scandals, lurid details, and rumors and I only bring it up as the confluence of these events allow a glimpse into the severance packages afforded executives in big edu (we have big tobacco, big oil, and big pharma – why not big edu).

According to an article entitled [*Contract for departing MSU president includes faculty job, lifetime perks*](https://www.cnn.com/2018/01/26/us/nassar-msu-president-contract/index.html) by Elizabeth Joseph and Joe Sterling of CNN, fabulous benefits will redound to Dr. Simon upon her resignation. She will continue to make her three-quarters-of-a-million dollar salary for one year and over $550k for each year following, even though she will be in a rank-and-file academic role; she’ll have her health care covered for life; and she’ll get additional perks that make you shake your head. And all of this under the umbrella of a public institution primarily funded by the tax-payers of Michigan.

Let’s take a step back and remind the reader of some of the more interesting facts about big edu. First is the cost of tuition. The figure below shows the average tuition costs (according to the [College Board](https://trends.collegeboard.org/college-pricing/figures-tables/tuition-fees-room-and-board-over-time)) from 1970 to 2017 in actual year dollars (i.e. raw dollars paid in the corresponding year not adjusted for inflation).



A rough fit of the data suggests that private tuition costs have risen by at least 5.2%, compounded annually, over that time period. More surprising is the fact that public tuition costs have risen faster, by approximately 6.3%, over the same span.

A more careful analysis over the smaller time span from 2000-2017, a period in which inflation has held steady, on an annual basis, at around 2%, produces the estimates that private and public tuition have grown at rates of about 4.4% and 4.9%, respectively. These are over twice the rate of inflation and it is not at all clear (as both a parent of college-aged children and a teacher of college courses) that the quality delivered during this time period follows this incredible rise cost.

So if the extra costs are not representative of value-added just where is all this money going and, equally troubling, where does all the money come from?

The answer to the second question is perhaps easier to fathom. It seems that we have developed a two-headed beast of high demand and easy money. The current system convinces graduating high-school students that college is the only option; four years of fun and intellectual stimulation will assuredly-lead to the good life; ignore the monumental student debt that you will acquire. Advertising, in all its myriad guises, emphasizes the glamour of college life. And a national program of student loans makes money easy to get and easy to spend.

On the other side of the equation, universities almost never say no to federal dollars (there are some that do but, on a percentage basis, they essentially add up to zero). And, if the money that is pouring in doesn’t go to improving the educational outcomes in any substantial way, then where does it go? Well, to new administrators, student liaisons, shiny new facilities and the like. None of these ‘improvements’ have a data-driven rationale or justification, no hard studies bear out their impact into student outcomes but the money has to be spent somehow so why not spend it somehow. (Note that I leave of the alarming trend that more and more students are being taught by adjunct professors; this is just bitter icing on bad cake).

So in the end, I am forced to conclude that, although the residents of the ivory tower will take umbrage at the comparison, they are just as stupid, short-sited, and greedy as the steel-working fools I grew up around. Part of me hopes I live to see the day when the bubble bursts; part of me hopes I will be comfortably and cozily dead before it does.