



Is College Still Worth It?

As soaring costs make the decision more complicated than ever, the answer for most people is not whether to go, but where to go

By Brian Kelly

Let me start by saying that here at *U.S. News*, we rank colleges and universities, we don't promote them. Which is a good thing, because this year in particular, college would seem like a very difficult product to sell. What we've done for many years is use hard numbers and extensive reporting to help students and their families make sense of the nation's hundreds of institutions of higher learning. In our rankings, we look at a variety of factors that measure academic quality, from student selectivity to faculty resources to peer assessment. We talk to students, parents, and educators. We crunch the numbers, we evaluate how

the schools stack up, then we present the results in charts, lists, and stories. In addition to our list of Best National Universities, we examine liberal arts colleges, regional colleges, public universities, specialty programs, and more. We compare similar schools to one another. What we don't do is tell a student where to go.

Whether to go to college is another matter entirely, and one that has gotten very perplexing in recent years. Let me answer the question in the headline right now: For most people, we think college is still worth it. The evidence about earnings is pretty clear. College grads make more money, people with advanced degrees make a lot more, and you can't get an advanced degree without a bachelor's. The demand for educated workers is only going to grow. And there are benefits beyond just paychecks.

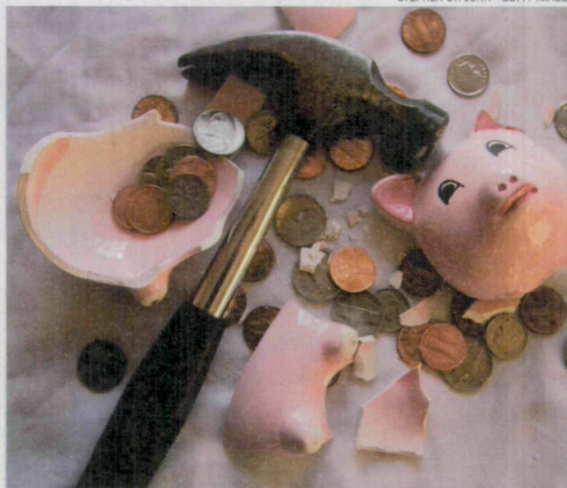
But which college and which type of college? That's where things have gotten increasingly complicated in recent years and may even be at some kind of tipping point of consumer change. The traditional

unthinkable \$50,000 a year. That's \$200,000 for four years, roughly the median price of a home in some metropolitan areas. That's the price that Harvard University charges, as well as many schools that appear much farther down our lists. Public school tuitions, while lower, have been rising at an even faster rate. And the average student who graduates with debt owes about \$20,000, but that's sure to grow.

Before people spend that kind of money and take on that large of a long-term obligation, they had better be sure they know what they are getting into. And it will need to be a more mercenary calculation than just the chance to convene with Aristotle under an oak tree.

Unfortunately, what's not clear is whether the product—an education—is getting any better or any easier to evaluate. Numerous studies show that tuition, which has far outpaced the cost of living, has been spent on things other than classroom teaching. Administrative staffs and lavish facilities top the list. After years of building palatial campuses, states faced with budget cuts now find that they are stuck with the fancy athletic center and have to slash faculty, resulting in packed classrooms det-

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higher-ed marketplace that has evolved since the end of World War II—one in which a four-year college degree was seen as the ticket to success and society's goal was to provide every citizen with a chance at one—seems poised for a massive shake-up. Some analysts are predicting that higher ed is the next economic bubble, headed for a crash. I don't see such a drastic outcome, but it's hard to believe the system can sustain itself as it is for much longer. The industry should know it has a problem when the only thing worse than a parent finding out his kid didn't get into that "prestigious" private college is finding out that he did.

It's the story of our age that the wonderful accomplishment of a college acceptance has become overwhelmed by the angst over its cost. The sticker price for many private colleges has now topped the once-

rimental to the learning experience.

And despite the fact that tenure—the sacred pact of lifetime employment, lengthy sabbaticals, and limited undergraduate teaching for professors who clear the bar—is starting to come under some sustained criticism, it remains a startling example of expensive inefficiency in a world that has learned to thrive on leanness. An increasing number of college courses are taught by graduate assistants or adjuncts—non-faculty members who work for low pay.

If colleges were businesses, they would be ripe for hostile takeovers, complete with serious cost-cutting and painful reorganizations. You can be sure those business analysts would ask: Is the consumer getting the product we promised? What do you actually learn here? Can you guarantee a job? Admission to gradu-

ate school? There are ways to gauge these things, but colleges have just recently fended off a movement to demand such outcomes measures.

So yes, the product has some problems. It also has a powerful argument in its favor: the long-established trend lines showing that people with a college degree earn significantly more money over their lifetimes than those without a college degree. Over the years, those with college degrees have earned about double what those with a high school education have taken in, and the gap seems to be growing, according to the Census Bureau (and those with professional degrees earn substantially more).

Some recent theory has contemplated whether that gap will remain between, say, a four-year school and a specialized one- or two-year program that teaches a specific skill. What if you invested half your tuition money in the stock market, got a computer repair certificate, and went to work? Would you be better off in 15 or 20 years? But are you willing to take that chance? And remember, too, that when college critics point to the fact that Bill Gates was a Harvard dropout, they fail to mention that he met some of the guys who helped him start Microsoft in his dorm. The networking aspect of college should not be undervalued.

Of course, common sense says that college should not be all about the money. How do you put a price on becoming an educated person? What's the value of being able to appreciate ancient Greek drama, Chinese history, or differential equations? True, for many people that ideal can seem like quite a luxury when the price is as high as it is today. But beyond the aesthetic, the point of a classic liberal education is to teach you how to think. What's the value of that in a rapidly changing, technological world where narrow skills can be lucrative one day and obsolete the next? Hiring managers will tell you that creative intelligence and an ability to communicate are more useful in the long term. As is a proven work ethic, which is why persisting through

four years of college is an admirable credential in itself.

The challenge comes down to finding the right college at a cost you can afford, and then making the most of it. It might not be a four-year brick-and-mortar institution with an illustrious name—or a high rank on the *U.S. News Best Colleges* list (yes, we are sometimes part of the problem). Among the worst outcomes would be someone who arrives wholly unprepared at a demanding school and ends up quitting after a year or two, with only loan payments to show for it. On average, more than 40 percent of college students drop out (and clearly many of them are stepping on campus without having attained

the skills and knowledge in their primary and secondary schooling to succeed, but that's another story).

Maybe a two-year degree is a better place to start. If it works, move on to a four-year program. In fact, it has become much more common in recent years for two-year schools to work in tandem with public colleges to make it possible, even seamless, to transfer and graduate within four years.



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So much depends on how much a student actually has to pay. Beyond the sticker price, there is a fair amount of competition among schools, usually by less esteemed institutions trying to attract better quality students. A school may seem outrageous at \$50,000, but a comfortable choice at \$25,000. Some of the highest-ranked schools also have the most scholarship money, allowing them to "meet full need"—that is, offering low-to-no tuition to qualified, needy students. And maybe this chaos points to the start of a revolution. Maybe one day we will see actual price competition, with schools across the spectrum advertising their lower costs. It's hard to believe that higher education will be able to defy the laws of economics forever. But that's not much help if you're looking to go to college right now. ●

