

ECON/PUBP 150: Economic and Policy Issues in American Higher Education

David H Feldman
Zoom Office Hours: Tu. 11:00 – 12:00, Th. 1:00-2:30
Office: Tyler 266

Phone: 221-2372
Email: dhfeld@wm.edu
Spring 2021

Required “Texts.” I put this in quotes because neither is a formal textbook. Both are introductions to the American higher education system geared toward general readers instead of academic professionals.

Archibald, Robert B., and David H. Feldman (2017). *The Road Ahead for America's Colleges and Universities*, Oxford: Oxford University Press. (The full text will be posted online, i.e. it is free).

Labaree, David F. (2017). *A Perfect Mess: The Unlikely Ascendancy of American Higher Education*. Chicago: University of Chicago Press.

Course Description – The higher education sector in the United States is an extremely complex mix of non-profit and for-profit enterprises. The industry is heavily subsidized by governments (both federal and state) and by private philanthropy. The higher education sector has developed over centuries, so a rich economic and political history has shaped today’s institutions. This history also conditions today’s policy options.

In addition, this industry is embedded in an economy that is not static. Economic growth has profoundly affected higher education delivery and demand. The income distribution in the US has changed substantially over the past forty years. Those changes are driven in part by the rising economic return to getting a degree. Rising income inequality also influences the demand for higher education and the pricing model that many institutions use. And rising inequality affects how buying an education is financed by students and their families.

Other winds are buffeting the US higher education system, and the current pandemic is accelerating the force of these winds. Demographic changes in the past have exerted powerful effects on colleges and universities, and the demographic forecast for the next thirty years will have a significant impact on the trajectory of the American higher education system over the next generation. Changing technology has constantly forced higher education institutions to react and adapt. Some commentators predict that digital learning will cause the imminent demise of a substantial portion of the bricks-and-mortar segment of the industry. The term “disruption” is commonly used to describe this assumed transformation to come. Some contend that our current mass experiment in remote learning, driven by the pandemic, will supercharge this transformation. The degree itself could become a relic of the past, replaced by online-earned badges representing specific marketable skills. These claims are part of the language of crisis that currently characterizes much of the public discourse about higher education.

This seminar is a brief introduction to the complex stew of economic, political, and social forces I laid out in the paragraphs above. These topics open windows into a wide variety of policy issues currently under consideration and debate. Some of the rhetoric about higher education is strident and polemical, and not particularly rigorous. Some of the public debate is very carefully executed and respectful of data and statistical methods. Most of it generates lots of controversy, and incendiary claims tend to get more clicks. You’re shocked, I’m sure.

This class is listed as “Economics” and “Public Policy.” Yes, we will take up many policy issues. I will also introduce you to how economists think about incentives and how we distinguish between correlation and causality. But this class has no prerequisites, and it is not credit toward an economics major. This is a first-year seminar designed to teach critical reading and critical thinking, and I will work hard to help you improve your writing skills. One of your major pieces of work this semester is a team-produced policy brief. The other is an op-ed, which I like to say is the hardest short paper you’ll ever write! Now to the fuller description of what you will produce for me, and for your peers, during the semester ...

Assignments

You will have four types of graded assignment in this class. In all cases, your work will be double spaced, in 12-point font, and have normal margins. Do not exceed my limits or your work may not be read. The word or page limit does not include a reference section, if that particular kind of assignment needs one.

Responses – I will ask you to write three *short* responses over the course of the semester. These will give me writing samples, which I will helpfully cover in red ink. Please take my writing critiques seriously. Repeating the same writing problems over and over isn’t a recipe for success! The response questions will be posted, and you’ll turn them in on Bb before the relevant class period. The other (ulterior) motive for responses is to help you connect with the course readings and make our class discussions more interesting and more productive. Each response paper should be in the neighborhood of 600 words, or 1-2 typed pages using the standard 12-point font and normal margins I mentioned above. Two typed pages is roughly 600-700 words done this way.

Case Study – You will choose one college or university not named William & Mary and write a 750 word essay on its origins, development, and position within the American higher education system. You will use David Labaree’s *A Perfect Mess* (chapters 1-5) as your theoretical template for this exercise. You can and should bring other relevant readings to bear (assigned and found). This essay should NOT be a dry description ... Gryffindor College was founded in 18– by so-and-so. They then did this in 19–and added this program in 20–. Boring! Labaree’s book gives you a framework for thinking about the interesting mix of causal processes and sheer accident that have shaped our system of higher education. Talk about your chosen institution as an individual example within a complex and messy historical process of change and growth. Some institutions fit his framework like a glove. Others do not. This assignment will be fairly early in the term.

Op-Ed – I will ask you to write an op-ed. This “paper” is a 750-word opinion essay that might help you think about your policy presentation. Like the responses, it is a writing sample, which I will also helpfully decorate with substantive and stylistic commentary. Are you catching the theme here? ☺ You will submit your op-ed twice, once in draft form and once as a final version. Redrafting is a key self-improvement technique for aspiring writers. There is much more on this assignment on our Bb page under the Op-Ed tab. We’ll also discuss the assignment in class. Suffice to say, writing a good op-ed is a lot harder than it seems. Persuasive writing can easily degenerate into an opinionated rant or into a boring and didactic explainer. Neither of those is the goal here. You will learn to distinguish those two mistakes from the characteristics of a truly persuasive essay.

Team Policy Brief & Presentation – We will discuss the policy landscape throughout the class. This will help get you thinking about the “problems” of the higher education system and about what sorts of policy changes might productively alter incentives and potentially improve outcomes in measurable ways. I will randomly place you in groups of 3-4. You should start talking with the other people in your group *right from day one*. I have

helpfully created a discussion forum tab in Bb for people to initiate discussion threads with their partners. I will look into those threads to help steer your conversations. If people want to change groups, you can ask me. I will be more amenable if group size doesn't change (if you have found another person and just want to switch with each other). Groups will remain 3-4 people. Two do not a group make. And five is right out.¹

We will spend some quality time talking about how to craft a policy brief. A good brief introduces readers to the existing institutions and to the policy environment they operate under, to the relevant history of the institutions and policies under study, to the goals and outcomes of existing policy, and to the effects of potential policy changes. Policy briefs are rooted in theory and evidence. They are not angry polemics or airy philosophical statements, though a clear discussion of values may be a component of the analysis. A good brief pays careful attention to building a causal argument using a reproduceable and transparent method. Although this class has no prerequisites, I will introduce you to causal inference without all the statistical scaffolding. We all know the adage, "correlation isn't causality." You need to understand when to assert that some relationship may be causal, and when not to.

Your group will give a formal presentation to the class (20-30 minutes, with Q&A). You will submit a group-authored paper in advance which I will post. The write-up should not exceed five pages of text plus supporting charts, figures, tables, and references. Everyone will be expected to have written questions for the group, which I will post in a discussion forum.

Grading – The Response Papers are collectively worth 18%. The Case is worth 16%. The op-ed is worth 22%. Your team policy presentation and paper are together worth 35% (10% presentation and 25% paper). Participation, which includes attendance, is worth the remaining 9%. If you're not in class, you're not participating!

Participation – I will periodically assign students to present certain key ideas from the readings. I may also ask students at random to outline some big points or to compare ideas across readings. You should be prepared for this. I also value spontaneous questions and ideas directed at me, at the literature we're reading, and at the ideas your fellow students propose. This is what makes a seminar class come alive.

Schedule of Topics

I. Introduction to the Seminar and to the US Higher Education System

Some Basic Facts about very Basic Questions

- Who goes to college? Where do they go? How well do they do? How much does it cost? Who pays?
- Will Online Training "Disrupt" the Higher Education "Industry?"
- Is the American higher education system on the verge of collapsing?

Chapters 1-3 of *The Road Ahead*

II. How to Think like a Social Scientist? How to Find Information for your Policy Brief.

¹ Monty Python and the Holy Grail (1975). Holy Hand Grenade speech. Oh, go look it up ... ☺

- Library Resources: A Virtual Visit
- Cause and Effect: why measurement and testing are important ... and difficult to do well.
- Selection and statistical “bias.” How to avoid drawing bad conclusions in ignorance.
- Example: Complete College America Policy Brief: Does Taking More Credits Make You More Likely to Graduate?

III. Brief History of the Rise of the American Model of Higher Education

- A System Without a Plan, Driven by Market Forces.
- The 19th Century Rootstock – “Ragtag Liberal Arts Colleges.”
- The Development of the American Research University.

Chapters 1-6 of *A Perfect Mess*

IV. Why Does College Cost So Much?

- Cost versus price
- Technological reasons why college cost rises more rapidly than inflation
- Frills and fancy or meeting a need: mission creep and gold plating versus standard of care.
- Institutional inefficiency: Tenure?

Chapter 4 of *The Road Ahead*

V. What is the value of higher education?

- Private and “social” benefit.
- Monetary and non-pecuniary benefit.
- How much does your major matter?
- Does College Enhance Social Mobility, and what might we mean by that term?

Chapter 5 of *The Road Ahead*

VI. Changes in the American Income Distribution

- Income Distribution and Tuition Discounting
- Federal Policy: The Bennett Hypothesis
- Social mobility: access & success.

Chapter 6 of *The Road Ahead*

Equality of Opportunity Project (Raj Chetty): <http://www.equality-of-opportunity.org/college/>

VII. The State Budget Environment

Chapter 7 of *The Road Ahead*

State Higher Education Executive Officers Organization (SHEEO)

VIII. How to Write a Policy Brief

IX. Is the Sky Falling? Will Technology and COVID reshape higher education

Online Education: Savior or Destroyer of Worlds ... (actually, neither of those alternatives)

- The history of disruptive new technologies
- The evidence about online education

Chapter 8 of The Road Ahead

- Strengths of the bundle, and an evolutionary possibility

Chapter 9 and 10 of The Road Ahead

Policy Choices and Policy Processes

X. Title IV, The Basic Framework of Contemporary Higher Education Policy

- Pell Grants and Student Loans
- FAFSA & CSS ... the needs analysis system

Chapter 11 of The Road Ahead

Op-Ed First Draft: Due March 22nd

Op-Ed Second Draft: Due April 5th

XI. Reforming Pell

- Simplification, Extension, Abolition

A Conversation with president Katherine Rowe (October 22nd)

XII. Free College and No Debt

- Pros/Cons
- Political Environment

XIII. Accountability

- Existing Framework of Accountability
- Theory and Practice of Accountability
- For-Profit higher education

Student Policy Brief Presentations (May 3rd and May 5th)

