

A Parent's Primer On Why College Is So Pricey—and What You Can Do About It

All of this [talk](#) about free college and student loan forgiveness should lead us to wonder why college costs and debt are rising in the first place. Not that long ago, many of us paid for much or all of our college tuition – even at private institutions – by working campus and summer jobs. Now, that seems laughable, particularly when [some](#) colleges and universities charge more than \$70,000 a year.

What is causing these soaring college costs and debt burdens, and what can parents do about it? Here are three reasons higher education is expensive and three suggestions for how parents can cope:

1. Administrative Bloat

Parents may not fully appreciate how big and bureaucratic higher education has become. I certainly didn't until I learned about “administrative bloat,” or the expansion of higher education administrators and student support services that have nothing to do with teaching and learning and a lot to do with jacking up college costs. Mark Perry, a University of Michigan economist, [determined](#) that in his university system alone there are nearly 100 “diversity, equity, and inclusion bureaucrats,” or what he calls “diversicrats,” and a quarter of them make over \$100,000 a year.

Throw in generous employee benefits packages, and these administrators cost the University of Michigan \$11 million every year. It's no surprise that tuition and fees for in-state students at this public university [top \\$30,000](#). The work these staff members and others do may be worthwhile, but most

parents think they are paying hefty tuition bills to expand their child's knowledge and inquiry – not to subsidize administrative bloat.

It's a [common](#) narrative to blame declining public support for increasing costs at public universities, but that ignores the alarming trend of rising administrative costs. As *HuffPost* [reported](#):

The number of non-academic administrative and professional employees at U.S. colleges and universities has more than doubled in the last 25 years, vastly outpacing the growth in the number of students or faculty, according to an analysis of federal figures.

This bureaucratic bloat would be unsustainable in most other industries, with customers refusing to pay for such inefficiencies. Yet, college costs keep rising, and parents and taxpayers largely foot the bill.

What Can Parents Do?

It's easy to be wooed by gleaming new buildings on campus and pamphlets showcasing the many non-academic student services and programs available, but parents and students may want to connect the dots and realize that they are paying for these extravagances. Maybe they don't mind, but if it troubles them, then looking toward leaner colleges and universities that prioritize teaching over administrative staff may be the way to go.

2. Government Subsidies

While parents should be more discerning about where their child's tuition costs are going, parents as taxpayers should also be leery of investing more in higher education. According to Todd Zywicki and Neal McCluskey, editors of the new book,

[Unprofitable Schooling: Examining Causes of, and Fixes for, America's Broken Ivory Tower](#), government subsidies to colleges and universities have mushroomed. In an op-ed this week in *The Hill*, they [write](#):

The problem is the entire Ivory Tower sits atop an ever-rising swell of subsidies. Between 1980 and 2018, [inflation-adjusted state and local educational appropriations](#) to colleges rose from \$50 billion to \$86 billion. Inflation-adjusted [federal subsidies to students](#) ballooned from \$34 billion to \$154 billion.

They argue that this increased government spending has led to increased government regulation, which then “restricts what new models, such as low-cost online education, can viably enter the market.”

Newer, private for-profit and non-profit colleges and universities often get blamed for higher student loan burdens or lower completion rates, but these criticisms fail to acknowledge that these emerging higher education programs often serve students who are currently not being served by conventional college systems. Older working students, veterans, single parents, and others may choose newer for-profit or non-profit higher education programs because of their comparatively lower costs, more flexible scheduling options, online offerings, workforce relevance, and agile programming.

These alternative higher education programs meet student demand in ways that traditional colleges do not, and they are increasingly threatened by government regulators for doing so. Writing recently at *RealClearEducation*, Cherylyn Harley LeBon [explains](#):

Some politicians in Washington are waging a concerted and deceitful effort to make it difficult for private, for-profit and non-profit colleges to exist.

She argues that one reason for the attack is to protect public higher education programs, especially community colleges that have seen declining enrollment in some areas.

What Can Parents Do?

Do your research on the college or university programs that your child is considering, and recognize that there is risk in any investment; but don't rule out newer, private for-profit or non-profit higher education programs. Sometimes these innovative programs cost less, are more responsive to student needs, and can add value where traditional programs cannot.

3. Low-ROI Majors

While not directly related to college tuition increases, parents should be aware of how their child's chosen major can influence the full cost of a college degree. Certain majors are more likely to lead to burdensome student loans that can be difficult to pay off. The Brookings Institution's Hamilton Project [found](#) that those with a college degree on average make more throughout their lifetime than those with only a high school diploma, but earnings vary dramatically by college major.

College graduates with majors in engineering, computer science, operations and logistics, physics, economics, and finance had the highest lifetime earnings, while graduates with degrees in early childhood education, family sciences (home economics), theology, fine arts, social work, and elementary education had the lowest lifetime earnings. With student loan debt a [concern](#) for the majority of students, it makes sense to evaluate the return on investment of a college major and its potential career path.

If a certain major will result in jobs that make it more difficult to pay off loans or pay them off more slowly with accruing interest payments, then parents and students should

recognize the higher financial costs of their college investment decision.

What Can Parents Do?

As a parent who may be helping to pay for your child's college degree or who would like to help your child avoid hefty student loans, you can encourage your child to major in a subject that yields a better return on investment. If your child's passion is fine arts or social work, then perhaps suggest that she double major in economics, as well.

It's also important to note that education is a human activity, but college is a purchasable good. As with any purchase, the consumer needs to be aware of the full cost of a college degree; but there are other ways to be educated, and have a good life and livelihood, without college. Recent [research](#) shows that vocational education increases lifetime earnings and can be a secure career pathway.

[Apprenticeship programs](#) offer an alternative to college by providing a signaling mechanism for potential employers that goes beyond a degree or credential. And more big companies like Apple, Google, and Netflix [no longer list a college degree](#) as a requirement to get hired for certain high-paying jobs.

College costs are rising for a variety of reasons, including more bureaucratic indulgences and more government regulations, and student loan debt is ballooning. Parents can help to control these costs by being more discerning about various college offerings and expenses, guiding their child to consider leaner or more innovative higher education programs, and suggesting college majors that will most likely enable that college investment to pay off with the least debt.

Moreover, parents as taxpayers can hold off on supporting more public funding for higher education – at least until they see

if their tax dollars are actually going toward a more educated citizenry and not some college bureaucrat's six-figure salary.

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