College costs have risen starkly in recent years. According to Bloomberg News, college tuition and fees have increased a staggering 1,120 percent since 1978, or twice the rate of increase of medical expenses or the price of food and four times faster than the consumer price index. In 1960, students paid $2,260 for a year of tuition, fees, books, room and board, plus sundry living expenses at Princeton University. At Duke, that same year, total college costs added up to $1,470, at Penn State in-state residents paid $1,260, while Californians spent a mere $680 at UC Berkeley. Today, according to each university’s respective websites, those numbers have skyrocketed to $56,750 at Princeton (an increase of 2,511 percent), $61,404 at Duke (an increase of 4,177 percent), $27,984 to $28,654 for state from Florida to Texas, in states where the focus of higher education “reform” has been on economic costs, state governors have made the pursuit of a high-quality, $10,000 degree a priority of their administrations. The seductive aspect of a college degree at that cost is the simplicity of the idea: 10K is not too much to pay or borrow for a good that society has shown itself willing to support. Plus, it’s a very round number. But is it a realistic goal? Is it a “goal in search of a model?” Is it the MacGuffin of higher education reform, the plot device that drives action regardless of its viability? 

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residents at Penn State (an increase of at least 2,221 percent), and $22,398 at UC Berkeley (an increase of at least 5,062 percent). Across institutions, it’s clear that the cost of a college education is becoming prohibitively expensive at a time when the credentials that it provides are increasingly necessary for Americans to have a chance at economic prosperity.\(^4\)

No wonder that $10,000 sounds attractive.

By focusing solely on total degree cost, the proponents of the 10K degree ignore other variables of the equation, including public funding, education quality, and faculty pay. Nonetheless, the economic and social realities, or consequences, of where the 10K degree leads us may be important to consider in determining whether this goal, a high-quality post-secondary education on the cheap, is worthy of further societal consideration. It is essential to dive into the numbers—and in this article, I will do so, exploring the implications around class sizes, faculty workload, infrastructure costs, and administrative spending at four-year colleges specifically. I will argue that it is possible to produce a college degree at a reasonable price, but that it requires new institutional focus on student learning.

**MAKING THE NUMBERS WORK**

I will approach the $10,000 degree by beginning on the $10,000 per year undergraduate degree, a number that closely approximates the cost at community colleges, according to the Delta Cost Project.\(^5\) Let us also begin with a few assumptions: First, to graduate in four years, each student should take five three-credit courses per semester, or the equivalent, for a total of 40 classes and 120 credits.\(^6\) Second, let’s assume these colleges and universities are self-sustaining enterprises with no additional funding subsidies, such as alumni donations, tax dollars from state or federal governments, faculty grants, etc. With these assumptions, the math is very easy: each student pays approximately $1,000 per class.

Next, let’s consider teaching load. The American Association of University Professors recommends faculty take on no more than three three-credit courses per semester.\(^7\) If we further assume that the average salary and benefits of such an employee is $100,000 a year, the employee will need to teach 100 students in each of her six courses, or 17 students per class. But those classes must also generate enough revenue to cover the costs associated with infrastructure (e.g., heat in the classrooms, lights in the offices, and rock-climbing walls in the new fitness
centers), as well as the salary and benefits of the institution’s administrators. And the latter is no small expense.  

As Benjamin Ginsburg notes in *The Fall of the Faculty*, the numbers of higher education administrators and other professional staff are expanding at a much higher rate than revenue-generating faculty. From 1985 to 2005, while the number of students increased by 56 percent and the ranks of faculty by just 50 percent, the crowds of administrators and other staff on campuses grew by 85 and 240 percent, respectively. (Meanwhile, in constant dollars, faculty salaries have barely budged over the past decade, while average executive compensation grew 14 percent between 2009 and 2012, to an average of $544,544.) With these figures in mind, it’s clear that the significant increases in college operating costs that have become the incredible increases in student tuition are coming from the administrative and professional staff side, including infrastructure. Non-academic administrative costs have grown at the cost of faculty compensation and student financial aid; “universities with top-heavy executive spending also having more adjuncts, more tuition increases, and more administrative spending.”

The one cost that is most obviously not leading to increased tuition cost is faculty pay. The recent partnership between Starbucks and Arizona State University’s online college, “shows just how much ‘profit margin’ there can be in a distance-education operation.” Even with a 59 percent discount, this program isn’t operating at a loss, which “suggests just how much institutions like ASU ordinarily subsidize their overall operations with revenue from distance education.” Critical analysis of higher education’s business model takes this relationship even further: faculty-taught classes (online, hybrid, and traditional), the only tuition-generating element of higher education, are subsidizing almost every other aspect of the university ecosystem.

Moving along, if we further assume a rule of thirds between faculty, administrators and staff, and infrastructure costs (current numbers show faculty account, on average, for 28 percent of the expenditures at public institutions and 33 percent at private), the university will need to triple the number of students per classroom, driving the average class size up to 50 (the low end of “very large,” according to the IDEA Center, a non-profit organization committed to improving learning on college campuses). This will result in an overall faculty-to-student ratio of 1:30.

Increasing class sizes appears, on the surface, to fix everything—more students per faculty equals budget solved!
per faculty equals budget solved! It turns out, however, that restrained class sizes are important to student learning:

Student average progress on course objectives the instructor rates as either essential or important is more than one-half standard deviation higher in small compared to very large classes. The advantage for small classes is especially evident in developing creative capacities (writing, inventing, designing, performing in art, music, drama, etc.) and communication skills (oral and written), where student progress is about a full standard deviation higher compared to very large classes. For medium-size classes, the advantage is nearly the same. When you compare small

The most exploited strategy for cost-saving is the artificial increase of faculty size by hiring adjuncts and other contingent faculty.

and medium-size classes with classes enrolling 100 or more students (of which there are over 6,000 in the database), the differences are even more staggering.16

Assuming we care about quality in education, class sizes need to go down. However, to achieve the 10K degree, still the object of this numerical adventure, this means increasing the number of faculty—without increasing the price tag.

The most exploited strategy for cost-saving is the artificial increase of faculty size by hiring adjuncts and other contingent faculty such as graduate students, lecturers, instructors, and “visiting” or “acting” assistant professors. Contingent academic labor is now the norm rather than the exception (less than a quarter of postsecondary faculty were full-time, tenure-track professors in 2011), which suggests that this preferred method of cost-savings has already been tapped and is running dry.17 The proliferation of adjunct and part-time faculty in American higher education has been well covered in Thought & Action, so I won’t go into detail here. (Editor’s note: see “Faculty Matter: So Why Doesn’t Everyone Think So?” starting on page 29 of this issue.)

Convincing professors to teach more courses is another possible way to cut costs, though such increases in workload have been vehemently opposed by students, adjuncts, and tenured and tenure-track faculty—and, in many places, those increases would be restricted by collectively bargained contracts.18 Nonetheless, a wholesale switch in workload from three three-credit classes (3/3) per semester to four four-credit classes (4/4) would result in a savings of 33 percent on faculty personnel and also would reduce the average class size from 50 to 40 students. But it would not affect the faculty-to-student ratio of 1:30, and furthermore, it likely would diminish the faculty’s ability and willingness to shoulder administrative duties, which may result in a net increase in costs.19 A more sustainable model may
be to hire half of an institution’s faculty as research-driven professors with a 3/3 load and the other half as teaching-driven lecturers with 4/4: the average would hit 3/4 and offer alternate paths for faculty professional development.

**NON-FACULTY FACTORS: ADMINISTRATION AND INFRASTRUCTURE**

A recent report from the Center for College Affordability and Productivity ends with a promising note about “the enormous potential financial savings from reductions in expenditures on non-instructional professional personnel,” which would lead to “very substantial tuition and/or appropriation reductions.”

Universities today employ armies of non-academic professionals to provide services and erect “symbols of excellence” as accoutrements to entice wealthy students. At the same time, those institutions are doing all they can to attract more wealthier, out-of-state or international students to their campuses. The University of Alabama (UA), for example, through its Alabama Promise Scholarship, encourages in-state students to go to community colleges and then transfer to UA—and while the purported intent is to help poor students get to the flagship, the actual effect has been to make room for more out-of-state students. And UA is hardly alone: Eighteen percent of the University of Washington’s students come from other countries, never mind other states.

Perhaps Ginsburg is correct about the crux of the problem: two-thirds of the average institutional budget (that is administrative and professional personnel, plus infrastructure) is not generating revenue. The faculty, and, vicariously, the work that they do in actually educating students are suffering because they are not valued as highly. Instead, most institutions’ budgets prioritize non-education related amenities that function as high-powered magnets to attract wealthy students. Instead of competing on academic grounds, universities battle for prestige, or at least the illusion of it, shifting their institutional focus from educating students to improving their relative position along trendy institutional rankings, which, unsurprisingly, doesn’t work as planned and, rather, reinforces dominance by those who are already “elite.”

The only way to meet the $10,000 per year tuition goal is to strike a more appropriate balance between faculty, administration, and infrastructure. Rather than increasing teaching loads, let’s reduce administrative bloat, perhaps by making explicit the service expectations for administrators.
ing explicit the service expectations for administrators and making less opaque their impact on faculty evaluation, promotion, and pay. Additionally, restructuring faculty incentives away from winning grants and publishing (especially when the focus is on elite journals) and toward teaching may increase faculty willingness and desire to shoulder a greater teaching and/or administrative burdens.²⁵

If each faculty member could take on an additional class per year, it would reduce faculty expense and decrease class size.²⁶ If universities can reign in their administrative bloat and their infrastructure such that they combine for half of expenditures as opposed to two-thirds—this could happen if institutions prioritize learning over rock climbing—the math becomes much more feasible to meet the $10,000 per year goal. Every professor would need to generate merely twice his or her salary and benefits, rather than triple.²⁷ With these changes, the typical three credit-hour course would have an average class size of 28.5 students, which is within the “medium” classification, according to the IDEA Center, with a faculty-to-student ratio of 1:20. With that in mind, the $10,000 per year college education is possible and sustainable.

**The 10K degree will necessitate degradations such as $25,000 annual salaries for faculty and average class sizes up to 110 students.**

But what about the 10K degree?

Moving from $10,000 per year to the 10K degree will prove to be a much more difficult proposition. The viability of the $10,000 per year education delicately balances price, workload, and class size. The 10K degree will break the balance, necessitating significant degradations, such as $25,000 annual salaries for faculty, average class sizes of 110 students, with faculty-to-student ratios of 1:80, and/or teaching loads of up to 12 classes per semester. The much-heralded answer, massive online-only courses (popularly known as MOOCs), currently suffer from a 93 percent attrition rate.²⁸ Even students who are considered “serious enrollees,” those who complete at least one assignment, have an attrition rate of 52 percent and make up no more than 10 percent of MOOC students.²⁹ These preliminary findings reinforce the importance of smaller classes and dedicated faculty, who hold continuing employment and are paid professional salaries, to help cultivate and maintain students’ interest in their own education and learning.

The other current answer comes from Southern New Hampshire University’s (SNHU) College for America, which has officially launched a $10K bachelor’s degree program with options in health care management and communications
that saw its first cohort enrolling in Fall 2014. In lieu of formal classes, College for America offers a, “competency-based curriculum designed specifically for working adults and their employers.”30 This program is currently available only through partnerships with specific employers such as: Dunkin’ Donuts, McDonalds, Anthem Blue Cross and Blue Shield, ConAgra Foods, and Goodwill Industries. It is presumed that the student-employees would not be burdened by paying for this program because, “the employers would be the ones paying the cost through their tuition assistance programs.”31 This form of education looks quite different from the traditional model; a difference by design because of the gulf between academic leaders and business leaders regarding whether or not, “higher education [is] preparing college graduates for the workforce.”33

Reaction against online and competency-based education continues, with many questioning the quality of educational experience, the academic rigor,34 and the replacement of critical thinking and engagement with easy credential acquisition. Much of this reaction is directed at for-profit colleges and universities.35 Regardless of the intentions of online degree programs and the businesses that partner with them, the costs and benefits to the students are going to be closely watched. Even the practical aspects of how such education to workforce partnerships will operate are being intensely scrutinized. Starbucks and Arizona State University learned this the hard way when the promised free education was found to have upfront costs and quite a lot of fine print.36

So where does higher education go from here? The economic realities appear bleak even with a great number of people and interest groups in agreement and a variety of people approaching the problem with the best of intentions. Institutional subsidies, including tax revenues, faculty grants, alumni donations, and money generated from investing large endowments, can all help decrease the cost of higher education, but few institutions enjoy a large measure of them all. The $10K traditional college degree is higher education’s MacGuffin, a seductive, yet seemingly unobtainable ideal that isn’t being considered as a practical goal, but is, at least, performing the duties of driving innovation in higher education and questioning the sanctity of the status quo. It’s moving the story along by providing a plot. Until higher education revolution is possible, it is necessary to focus on higher education reform. I suggest using the above as a basic blueprint.
ENDNOTES

1. The “MacGuffin” is a term created by Alfred Hitchcock that, “helped him assert that his films were in fact not what they on the surface seemed to be about.” As he explained to Truffaut: “You may be wondering where the term originated. It might be a Scottish name, taken from a story about two men in a train. One man says, ‘What’s that package up there in the baggage rack?’ And the other answers, ‘Oh, that’s a MacGuffin.’ The first one asks, ‘What’s a MacGuffin?’ ‘Well,’ the other man says, ‘it’s an apparatus for trapping lions in the Scottish Highlands. The first man says, ‘But there are no lions in the Scottish Highlands,’ and the other one answers, ‘Well then, that’s no MacGuffin!’ So you see that a MacGuffin is actually nothing at all. The MacGuffin is simply the device that gets the action going, . . . [it is] whatever it is that the characters in the film are searching for. The exact details, though, are inconsequential for the director.” Gottlieb, “Early Hitchcock: The German Influence,” in Framing Hitchcock: Selected Essays from the Hitchcock Annual, pp. 47-48.


3. Fine, How to Be Accepted by the College of Your Choice.


5. “Who Pays for Higher Education? Changing Patterns in Cost, Price, and Subsidies.” Important, within this study is the distinction between price (costs covered by tuition), cost (amount spent per student), and subsidy (difference between cost and price which is covered by state funding, gifts, donations, and endowments).


7. “Statement on Faculty Workload with Interpretive Comments,” in AAUP Policies and Reports.

8. Suttle, “The Average Yearly Income for College Professors.” The estimated average salary is $74,360, but I round up to $100,000 to include benefits.

9. The same year that the new $46 million fitness center opened at Virginia Commonwealth University, including the oft-vilified rock-climbing wall, four full-size basketball courts, and an aquatic center, tuition and fees jumped 24 percent. See Scott, “Climbing Walls and College Costs.”


11. The latest numbers show that less than 50 percent of all employees within the university have primary roles in teaching, including those that are part-time. Thus, the role of faculty is not merely diminishing in importance within academe, it is structurally diminished. See Desrochers and Kirshstein, “Labor Intensive or Labor Expensive? Changing Staffing and Compensation Patterns in Higher Education.”

12. Lewin, “Student Debt Grows Faster at Universities with Highest-Paid Leaders, Study Finds.”


14. Ibid.


16. Ibid.


19. Vedder, Matgrouanis, and Robe, in, “Faculty Productivity and Costs at the University of Texas at Austin: A Preliminary Analysis,” suggest that increased teaching loads do not adversely affect the research and grant-attainment of faculty, though the report’s suggested increases kept teaching loads within the AAUP preferred category at a 2/2.

20. Ibid., p. 15.


22. This scholarship’s benefits to students increase in questionability when you consider the increased attrition rate of transfer students and the negative socio-economic impact of the socially perceived inferior quality of education at community colleges (Alisa Nagler engages in a fantastic and thorough review of the relevant literature: “The Influences of Institutional Reputation on the Labor Market Outcomes of Education and Training: A Case Study of Community College Nursing Programs.”) See also Hrabe, “Harvard University or Community College? Why the Choice Isn’t as Crazy as It Sounds.” Also consider the importance of the Greek system at the University of Alabama and the resultant impact of UA’s Greek system in Alabamian politics (which will be denied to students who enter as juniors), and the limit of four semesters of support without a concurrent promise that the four semesters of classes will transfer as classes rather as general credit.

23. Lewin, “Taking More Seats on Campus, Foreigners Also Pay the Freight.”


25. Recently four faculty members led by Kathleen Cawsey of Dalhousie University applied (together) for the soon-to-be-vacated position of their institution’s president. They stated that the university would benefit from getting increased human resources that would better fulfill the requirements of the position and each of them would receive substantial pay raises, even with each receiving only one-quarter the salary. This “serious joke” prompted a number of other foursomes to apply for the position in a statement of defiance against the pay inequality and the current resource-allocation in higher education. See Schuman, “The Clever Stunt Four Professors Just Pulled to Expose the Outrageous Pay Gap in America.”


27. Vedder, Matgouranis, and Robe come to similar conclusions (using subsidies to bring teaching loads down) and have a multiplier of 2.12, or a total loaded cost of $200,208 to support each full-time tenure-track faculty.

28. Parr, “Not Staying the Course.”

29. Haber, “MOOC Attrition Rates—Running the Numbers.”

30. “First Nationally Available $10,000 Bachelor’s Degree to Be Launched by College for America.”

31. Harvin, “SNHU Offers First Nationally Available $10,000 Bachelor’s Degree.”

32. According to a Gallup and Lumina survey, 96 percent of academic leaders strongly agreed that colleges were preparing students for the workforce whereas only 11 percent of employers strongly agreed.

33. To be fair, American higher education has seen rampant grade inflation since the 1960s, with “A” being given 43 percent of the time and “D” and “F” together being given less than 10 percent of all letter grades. The entire system is declining in academic rigor. See Rojstaczer and Healy, “Where A Is Ordinary: The Evolution of American College and University Grading, 1940-2009.”

34. Matloff, “Dumbed-Down Math and Other Perils of Online College.”


36. Pyke, “Critics Warn Starbucks Employees to Read the Fine Print of New Tuition Plan.”
WORKS CITED


