



I Have a College Degree - Now What?

By Deborah D. Thornton

I think everyone should go to college and get a degree and then spend six months as a bartender and six months as a cabdriver. Then they would really be educated.

-- Al McGuire (1928-2001) Marquette University basketball coach

Basketball Hall of Famer Al McGuire, who successfully led Marquette University teams to 11 consecutive seasons of tournament play, was known for his down-to-earth common-sense approach to life.¹ Today, with 10 percent or higher unemployment, having a college degree does not necessarily mean you are either educated or employed, even as a bartender or a cabdriver.

Historically a college education was the prerogative of only a select few. Sixty years ago, 2.3 million people over the age of 14 were in college, or only 9.6 percent. In 1967, just over 40 years ago, there were 5.1 million students (24 percent) between the ages of 18-24 in college, and the estimated cost of all four years was just over \$2,600.² Then, as our technologies and economy changed, college became the required path to success. Today there are almost 11.5 million students (39.6 percent) between 18-24 in college, an all-time high.³

Unfortunately a college degree does not guarantee gainful employment. As of 2008 just over 50 percent of young adults aged 18-24 were employed. Current United States Labor Department data show that only 46.1 percent had jobs in September 2009, the lowest level since data collection began in 1948. Whether because they couldn't get a job, or in hopes of getting a better one, both community colleges and private colleges in Iowa reported either record or near record enrollment this school year. This includes Iowa Wesleyan College (host school of the Public Interest Institute), St. Ambrose University, and Upper Iowa University. Iowa Wesleyan even initiated an off-campus program in the Iowa City area, home of the University of Iowa. In one of the most significant changes, Upper Iowa University (Fayette) reported an 11 percent increase. St. Ambrose University (Davenport) enrolled the largest freshmen class ever. All Iowa community colleges reported record enrollments. There are 15 community college districts in Iowa, with a total fall 2009 enrollment of 100,736, up from the then record 88,104 in the fall of 2008.⁴ For the first time since 1975, the majority of students are enrolled full-time, with an average of 9.5 credit hours. Reflecting the current economic situation, the number of men and working-aged students (25-64 years old) showed a disproportionate increase.⁵

Along with the numbers of students, the costs have also risen dramatically. A Pew Research Center report lists the average tuition, fees, and room and board for a bachelor's degree at public four-year colleges as just over \$39,000, and the private school total costs reach almost \$85,000. The average 2009 tuition and fees are 6.5 percent higher than in 2008.⁶ This is higher than both inflation and family income increases. Factoring in inflation, the real cost increase was 8.8 percent. During the 1980s, the increase was 3 percent, in the 1990s 4 percent, and earlier in the 2000s less than 5 percent.⁷

Iowa college costs reflect these national trends. According to the Iowa College Aid Commission (ICAC) *Your Course to College 2008-09* report, the average annual tuition and fees are \$6,427 at the three Regent

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schools, while private schools are over three times as much at an average of \$21,294. Room and board are comparable for each at around \$7,000, and books and supplies average \$1,000. This results in total base costs per year of approximately \$14,500 for a Regent school and just over \$29,000 for a private college.

The *Trends in College Pricing 2009* and *Trends in Student Aid 2009* reports detail the difficulty parents and students are having in paying for college at these prices. An article in the *Chronicle of Higher Education*, "The Stories We Tell Ourselves," states that previously most families were able to pay for college with savings, parental money, and part-time or summer student work earnings. Currently, rapidly increasing costs are forcing many of today's students to rely on loans and full-time work, with resulting negative impacts on both the education quality and long-term finances.

Students and parents do have another, somewhat better, option. As shown in the 2010 Iowa Community Colleges (ICC) *Tuition and Fees Report*, the average community college tuition is 38 percent lower than the average tuition at a Regent school, at \$3,566 annually.⁸ This does not include fees, books, and room and board costs. Legally Iowa community college tuition can not be higher than that of the lowest of the Regent schools. However, Iowa's community college full-time tuition in 2009 was the fourth highest of the region, behind Minnesota, South Dakota, and Wisconsin. The overall 2009-2010 tuition increased 5.86 percent from 2008, with cumulative increases since 2000 resulting in an 84.4 percent total rise in prices. Though the national reports lag, with 2007 data being the most current available, these increases pushed Iowa's community college costs to 55.6 percent higher than the average national community college.⁹

Along with price increases, student loan debt is increasing. In December 2009 the Project on Student Debt published a report on debt incurred by 2008 college graduates. The nationwide average student loan debt is \$23,200, increasing at six percent per year. Surprisingly, the individual state with the highest student loan debt is our own Iowa, at \$28,174. This is far above the low of \$13,041 for Utah students. Recently the governing board of the Regent schools imposed an extra \$100 in tuition for the spring 2010 semester, to make up for statewide budget cuts. This was not included in the Project on Student Debt numbers. A recommendation from the Board of Regents on college affordability was that the schools need to do a better job of helping students and parents get loans. This was instead of looking for innovative ways of saving money and absorbing the budget cuts, such as administrative consolidation.

In this current jobless economic recovery these same students (and their parents) might end up following Coach McGuire's advice and end up driving a cab or tending bar – if they can even find those jobs – while trying to pay off \$30,000 or more in student loans. Our children deserve better.

Public Interest Institute's POLICY STUDY, "A College Education, But At What Cost?," can be viewed at www.limitedgovernment.org.

(Endnotes)

¹ "Al McGuire Basketball Chronology," Marquette University News Release, <<http://www.marquette.edu/news/articles/530.html>> (November 2, 2009).

² Report No. HS-3, Population by age, 1990 to 2002, U.S. Census Bureau, <<http://www.census.gov/statab/hist/HS-03.pdf>> (November 20, 2009).

³ Richard Fry, "College Enrollment Hits All-Time High, Fueled by Community College Surge," Pew Research Center, October 29, 2009, Appendix tables A1 and A7.

⁴ Fall Enrollment Reports – 2009 and 2008, Community Colleges and Workforce Preparation, Iowa Department of Education, p. 3.

⁵ Fall Enrollment Report 2009, p. 4.

⁶ "Public Four-Year Tuition Continues to Rise at Faster Rate than Private Four-Year Tuition," The College Board, <<http://thecollegeboard.com/press/releases/208962.html>> (October 21, 2009).

⁷ Kevin Carey, "Spinning Trends in College Pricing," *The Chronicle of Higher Education*, October 20, 2009.

⁸ Iowa Community Colleges Tuition and Fees Report, FY 2010, Iowa Department of Education, August 2009, p. 3.

⁹ *Ibid.*, p. 10.

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