

US LOSES LEAD IN HIGHER EDUCATION: Now Ranked 10th for Degrees for 25-34 Year-Olds

By Nick Gier

When I attended the University of Copenhagen as a Rotary Foundation Fellow in 1966-67, I learned that only 8 percent of young Danes graduated from gymnasium, the rigorous 3-year professional preparatory school system. These graduates were then qualified to go on to business school, dental school, the teachers college, or the two universities.

I returned to Denmark in 1971 for a year of university teaching, and then went back again for two sabbatical leaves in 1978-79 and 1985-86 in which I also did some teaching. My Danish students--capable of reading assignments in English, French, and German--were the best students I've ever had.

Today Denmark has seven universities and 40 percent of adult Danes have a post-secondary degree. (The U.S. percentage is 33.) There is no tuition and single students who keep up their grades receive \$800 each month from the government.

The U.S. used to be the world's leader in education at all levels, but we now rank 14th in high school graduation rates and our students do poorly in international assessments. We have now dropped to 10th in terms of the number of 25-34 year-olds who have a college degree. Only 25 percent of Idaho's high school graduates receive a college degree.

The U.S. graduation rates are even worse. Right next to Turkey and Mexico we rank 15th among 29 nations. Only 53 percent of UI students finish in 6 years, while the percentages for ISU, BSU, and LCSC are 31, 28, and 27 respectively.

When I was at the University of Copenhagen students were enrolled in 7-year M.A. programs with comprehensive exams at the end of an education that was primarily self-directed. For centuries this was a standard curriculum at European universities.

Over the past two decades European universities have borrowed basic ideas from the U.S. They are moving to 3-year baccalaureates, 2-year masters degrees, and standardized diplomas. To ease the huge tax burden modest fees and tuition have been instituted at some schools.

Under the 1999 Bologna Plan students will be able to transfer credits among European universities. Gymnasium graduates (called Abitur in France) are proficient in major European languages so student movement across the Continent will not only be possible but students are eager to do it.

Even with their current institutions Europeans are getting a good bargain for their degrees. Just as they pay half as much per capita for better medical care, Europeans pay 1-1.5 percent of GDP to produce more college graduates than the U.S. does spending 3 percent of GDP.

Adjusting for inflation, tuition on American campuses has doubled since 1980, while salaries for middle class families have remained flat. Thirty years ago Pell grants to needy students covered 72 percent of their college costs, but today that percentage has dropped to 38.

During the Bush administration Pell grant funding was cut so severely that 375,000 qualified students failed to get stipends. Columnist David C. Johnston states that "an estimated 200,000 young people do not attend college each year simply because they lack the resources."

A study done by the Education Trust found that financial aid at 50 flagship public universities increased 500 percent for students from families making over \$100,000, but it dropped 13 percent for students coming from households earning under \$20,000. The study concludes that our top state institutions "have become enclaves for the most privileged of their state's young people."

Over \$85 billion each year is lent to students struggling to make ends meet and many of these loans are made by private lenders such as Sallie Mae, Educap, and Nelnet. These companies can charge any interest rate they please. Students

take out loans at single digits and then discover that the rates have doubled or tripled by repayment time. Typically, a \$20,000 loan has become a \$50,000 debt.

Making "pay day" loans to students is very profitable. Sallie Mae reported a 51 percent profits from 2001-2006, and Educap's chief executive makes \$1 million a year and flies around in a Gulfstream jet.

All together the private lenders have received \$94 billion from the government in the last 10 years. In 2007 it was discovered that Nelnet had accumulated \$287 million in improper subsidies, but Bush's Undersecretary of Education decided that Nelnet did not have to return the money. David Johnston quips that there is "mercy for the bankers, but not for the students," who have to pay up even if they declare bankruptcy.

In 2007 it was discovered that some college loan officers were receiving bribes to steer students towards the predatory lenders rather than the far more secure federal loans.

Conservatives would charge that an \$800 monthly stipend for every Danish student is socialism pure and simple, but at the same time they claim that the private lenders are practicing "free enterprise" and preventing a government take-over of the student loan system. Socialism for the rich is OK but economic help for the needy is evil Marxism.

President Obama has pledged that he will let the subsidies to private lenders expire in 2010, but their lobbyists have convinced even a majority of Democrats that a mix of government and private student loans is still the best solution.

It is significant to note that the decline in American educational opportunity also means exclusion from the excellent vocational-technical curricula offered by the nation's community colleges. Europe has always been and continues to be strong in this vital area.

European students have better access to higher education than ever before and most of them start their careers debt free. Hundreds of thousands of qualified

American students are denied post-secondary possibilities and two-thirds of graduates enter the workforce with huge financial burdens.

Andrew Delbanco makes this alarming observation: "Among adults in the age group 55-64, we still lead the world in the percentage who are college graduates—which means . . . that, in the aggregate, younger Americans are less well educated than their elders."

This does not bode well for America's economy or its future as a once great nation.

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