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HIGHER EDUCATION IN THE U.S AND CROSS-CONTEXTUAL COMPARISONS WITH ASIA

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Introduction

Universities in the United States (US) are the envy of the world attracting students from all over the world due to the high quality of education they offer. Many, however, are confronting severe challenges in areas of affordability and access (www.nytimes.com). Top universities in Asia are increasingly modelling themselves after the US research universities, in South Korea since World War II, and in Singapore in recent decades. It is therefore important that policy makers in Asia pay attention to issues faced in the financing of US higher education, although a number of fundamental differences should be noted.

The university systems in Asia, and particularly the prestigious universities, tend to be public ones. They were established in their current form after independence, in tandem the setting up of national education systems and other administrative apparatuses. There have indeed been moves towards greater institutional autonomy and corporatization of the universities, but, in general, governments continue to exert a considerable role in their operations. This has meant relatively more state control over the setting of tuition fees, which are lower compared to the US system.

When private universities are established in Asia, especially in low- to middle-income countries at the present time, they play a demand-absorbing role to government policies seeking to massify higher education. This is a natural step to take when public finances are often highly insufficient to meet the needs of the massification of higher education. It is in these kinds of private universities that tuition fees can be significantly high – perhaps not at the stratospheric levels as seen in the US, but sometimes on par with that if seen in terms of purchasing power parity (PPP). For example, tuition fees, alone for one year of attendance at Webster University Thailand is 396,000 baht (Webster University Thailand), which is US\$ 32,012 when converted by PPP – this puts it on par with most private universities in the US.

In this paper, we outline some of the current concerns around the college access and affordability problem in the US, and summarize with our own policy solutions as a fix to the problems now emergent in Asia. We posit that these are lessons that can be drawn for universities in some of the developing countries in Asia as well as the pitfalls to avoid while drawing on the models for various US college programs.

The United States Bureau of Labour Statistics (BLS) estimates that by 2020, 65% of jobs in the US will require education beyond high school. The nation cannot cope with this demand for college educated workers and also compete globally, without closing the gaps in higher education attainment that exists among different demographic groups (Perna & Finney, 2014). About two decades ago, the US was the leading country in terms of number of graduates among 25-34 olds but today it has slipped to the 19th place internationally (OECD 2012 report) on educational mobility amongst 28 developed member nations in the world. The report argues that higher education levels leads to a better community, stable families, better earnings and better health in addition to mobility. One of the findings from the report is that in order to increase the number of students going to college, policies are required to make college more affordable for all. But, access to a college education has become

less equitable in the United States. What this means is that college education has become so much more expensive for students from the lower socioeconomic status that many cannot afford the education. Researchers Cahalan and Perna (2015) argued that in 2013, 77% students from the highest income quartile earned a bachelor's degree compared to only 9% from the lowest family income quartile. All of these in turn impact the low income students' economic and social mobility.

President Obama, in his State of the Union (SOTU) address in January 2015 emphasized the importance of a college education to prepare American students for a competitive economy and how those jobs will require higher education by the end of this decade. He acknowledged that the cost of college education is very high that many families are "priced out of the education required for a job" (www.whitehouse.gov/issues/education). President Obama went on to announce that his administration is working to make college education more accessible, affordable and within reach for more American families.

Defining the need for College Education and Community Colleges as a pathway

In today's knowledge economy, earning a post-secondary credential has become a prerequisite for employment. For example, the Massachusetts Budget and Policy Center (MassBudget) published a report in 2014 where one of the key findings was that there is a correlation between the educational attainment of a state's workforce and median wages (www.massbudget.org). Community colleges, for example, are seen as a stepping stone for some students towards other opportunities to pursue higher education. Community colleges, which are two-year public institutions offering skills training as well as a pathway to a four-year university, have been seen as important for students from low income families, those with financial constraints and have a large representation of a few racial groups (Goldrick-Rab, 2010). Education from these colleges is intended to democratize opportunities (McIntosh and Rouse, 2009).

According to the National Center for Education Statistics (NCES), community colleges are playing a prominent role in the educational experiences of minority students. Underrepresented minorities increasingly enrol in community colleges and this seems to influence the experience of particular racial subgroups of the United States population. Hispanic students make up a large number of the nearly 7 million community college students as of 2013. African-American students are the next group who enrol in these colleges. The Hispanics and African-American students largely come from families that have an income below US\$40,000. Many do not choose this path to college because of the need to support their family immediately after high school. But a policy to reduce the cost of tuition will help these groups of students economically. In the case of African-American college enrolment, reports show that more black women pursue higher degrees than their male counterparts. African-American males enrolling in higher education have been decreasing over the last decade, and the reasons cited for these include low or no financial support and under-preparedness for a four-year college degree. Reducing the costs of college and making community college as a pathway to a bachelor's degree could help this group.

The necessity to lower the costs of college is critical for women and men from lower socioeconomic backgrounds, Hispanics and communities of colour. This group also benefits from a two-year community college degree that will lead them to jobs and self-sufficiency. In order to motivate this group of students for enrolling and completion of college, more support systems like costs of books, housing and transportation in addition to tuition assistance should be considered.

Role of the US Federal Government in the Higher Education policy area: History of Higher Education Acts and Grants

When it comes to higher education, the US Federal Government has been supporting the colleges and universities with a number of programs because of the belief that a better-educated workforce stimulates the growth of the economy. The earliest legislation, the Morrill Act of 1862, also known as the Land Grant legislation, was an earlier involvement of Congress in the higher education fray. The first major higher education legislation of the 20th century was passed by President Lyndon Johnson in 1965 called the Higher Education Act (HEA). The provisions of this law were planned to support federal funding for colleges and universities in the United States, and they include scholarships for students, low interest loans and other types of financial assistance to needy students. Thereafter, Congress has reauthorized this Act several times over the years (ten times till date) and included amendments and revisited funding. The Pell Grant, for instance, was first set up in 1965 as a US federal funding program for college tuition for needy students. This was also known as the Basic Educational Opportunity Grant. The advantage of the Pell Grant was that students need not repay it, unlike a loan. The most recent reauthorization of the HEA was in 2008 and the bill has been up for discussion since Fall 2014, known as the Higher Education Opportunity Act which covers institutional grants and federal student aid.

Increasing Cost of College and Debt

There are a number of reasons for the exponential increase in a college education. In private colleges and universities, the rising costs are attributed to professors' and other personnel cost, cost of new facilities and technologies and other novel state-of-the-art facilities like Wi-Fi across all rooms and campus-wide. For public institutions, the cost increase to students is directly related to funding cuts at the federal and state levels. The higher costs for operations are passed on by the institutions to the students and this is reflected in tuition fee increases. This result in higher student loan and debt and students graduate either being unemployed or underemployed in a bad economy. This complexity makes college education unaffordable, while the rewards are still mixed at this point. A recent report by the US Census Bureau showed that there was a decrease in student enrolment nationally in four-year colleges and this trend could force colleges to decrease tuition.

Outcomes

The debt levels of recent college graduates have exceeded the trillion dollar mark. A report by the Center for STEM Education and Innovation, AIR found that across all types of institutions, public and private, minority students like Hispanic, Blacks and Native American students were more likely to accrue higher undergraduate debt. While evaluating the value of a college degree, and community college degree in particular, several of the above organizations have similar findings when it comes to its value for the student. The argument is to increase student success. The rate of completion should be expedited and the colleges should forge close ties to the labour market so graduates with the two-year Associate's degree land jobs (Klor de Alva & Schneider, 2013).

Access

Looking back at the history of higher education in the United States, minorities were excluded from many institutions until a few decades ago (Kraft and Furlong, 2013, p.377). Affirmative action policies have benefited the underrepresented minorities in terms of access (www.ncls.org). Affirmative action is now being challenged in the courts and it remains to be seen if the policy will be upheld or withdrawn. From a policy perspective, affirmative action law has increased access to college for women and men of colour and other minorities. Colleges and universities have active diversity policies that grant admission preferences to minorities and students of particular racial and ethnic groups. Critics maintain that access to college education solves only part of the problem. Mounting student debt, delayed completion and lack of jobs once they graduate are issues facing the minority students more than ever. Others point to the fact that affirmative action policies disadvantage some students who have better grades and are more likely to complete college but who are denied admissions.

Improving College Access, Affordability and Completion

In spite of many competing issues high on the agenda at the federal level, the President has made the challenge of making college affordable for all a high priority in his agenda. Encouraged by positive outcomes from free tuition policies in Tennessee and Chicago, President Obama has chosen to model on that and roll out the policy on a larger scale. President Obama has called for a new collaboration with states to ensure that the first two years of community college are free for responsible students, while they are finishing the first half of a bachelor's degree or earning skills to go into the workforce. Several states in the country like Oregon and Massachusetts are considering this proposal as education costs for college has continued to climb northward. Currently about 40% of community college students have their tuition covered by federal aid, but many still face other economic hurdles like food, books, transport costs, and the like (www.time.com).

Critics argue that the issue at hand is not only making community college affordable, but addressing the issue of the number of students completing degrees at these colleges. To motivate students to complete college, the colleges should be tied to local employers and businesses that commit job opportunities to responsible students immediately after completion. The Ministry of Education in Singapore, for

example, acknowledges that striking a good balance between developing the individual to achieve their full potential through higher education and creating value for the individual is important, emphasizing the need to equip individual students with the competencies and skills for future employment.

Concluding Remarks: Our own views of the current policy solutions in the United States, and comparisons with the Asian context

There are several problems around access, affordability and attainment of college degrees for women and men of colour as well as those from low income families in the United States. To assist students to pursue a college education, students should have the ability to pay for the costs and they need to be supported to navigate their ways into and through college. The cost of a college education has increased manifold over the years and exceeds the rate of inflation. Tuition has increased four times compared to the consumer price index in the last three decades. The actual cost rise is a staggering 1100% since 1970s. The necessity to lower the costs of college is critical for women and men from lower socioeconomic backgrounds, Hispanics and communities of colour. Women have become the majority of students receiving a bachelor's degree since 2006 and have created a gender imbalance in some sense (Goldin, Katz & Kuziemko, 2007). Some of the reasons for this include women increasingly choose work careers, share breadwinning responsibilities, delay marriage and child birth, and enter previously male-dominated professions like law, medicine, construction and other engineering fields.

Many of the current policies can be amended to solve some of the college education issues. The policy reforms for increasing affordability should be targeted towards tuition cost reduction and alternate ways to lessen the debt burden for students. Education is only 6% of the discretionary spending category under the current US federal budget. This has to be increased to release more federal funding to colleges and grants for needy students. President Obama's provision to make community colleges free is a timely solution but the students should have opportunities that will lead them to jobs and independence. For those who graduate with debt and no job, there has to be a provision to repay loans after three years into a living wage. The rating system for colleges is a good effort to rein in college costs but the system should also review college completion rates and ensure quality of the education provided while discussing value measured by future earnings. Lastly, there has to be an alternative policy designed to restrain further tuition increases in colleges that would force the institutions to come up with creative solutions of cost-sharing and personnel sharing. We believe the federal government has an important role in reducing the cost of college and the financial barriers to attending college for minority students. The Pell Grant program is an important lever for increasing access to college for students from low income and minority families. But the grant awards need more funding to support the minorities and in keeping up with the inflation and the growing costs of college.

Some of the egalitarianism of the university systems in Asia may appear to trump those in the US. In terms of access for minorities, and considering the kinds of scholarships and grants available to them, these are guaranteed – sometimes by law – at a quota in a range of countries from Vietnam to China, and even Myanmar. This

usually stems from a national constitution that guarantees the rights and privileges of minorities in areas that include education, as well as from the socialist character of some of these countries. Of course, quality is an issue that should be considered in tandem with access issues, and the quality of some of these universities in Asia may indeed be a long way from their counterparts in the US. Quality and access may even be seen by some as competing values in a zero-sum game.

In a case like Malaysia though, where affirmative action policies are available for bumiputera (“native”) Malays for public universities, there is clearly a concern for egalitarianism. Ethnic Chinese and Indian students in Malaysia tend to attend private universities, where tuition fees are higher.

The record of student loans in Asia is mixed. In Singapore, for example, which is acknowledged as a developed nation in the region, with world-class universities, the government subsidises a huge fraction of university education through a major tuition grant scheme, and offers additional loans and grants to meet student needs. The government’s Central Provident Fund (CPF) Education Scheme facilitates for the payment of subsidized tuition fee for several full-time programmes for students. The government is also reviewing if there is scope to make its loan schemes more attractive as an additional source of funding, without imposing undue loan burdens on students (Ministry of Education, Singapore).

In the Philippines however, the sustainability of student loan schemes is a concern for the government. The example of the Philippines and the history of the development of its higher education system may provide a case-in-point. In the Philippines, the passage of the American-sponsored Private School Law in 1917 during the colonial era, granting private colleges and universities full autonomy both in funding and control, spawned the widespread growth of private higher education institutions in the early 20th century. Today, a public higher university system exists alongside the private ones, with tuition fees kept low, due in part to considerable political pressures and left-leaning ideologies prevalent in the country especially after the end of the authoritarian Marcos era in 1986. The result of this is the prevalence of significant disparities between public and private higher-education institutions; there are major differences in unit costs per student, tuition fees charged and government subsidies. The Study-Now-Pay-Later student loan plan, administered by a government agency particularly for students attending private higher education institutions, had been plagued for years by repayment defaults – though more for reasons of weak debt collection reinforcement than because of insurmountable debt levels as in the US case.

The broad affordability and cost issues outlined in this paper confronted by the US in the financing of higher education needs attention of the policy makers in Asia while they are engaged in redesigning some of their policies and programs, acknowledging that a number of fundamental differences exist. While developing countries in Asia are undergoing economic growth, more research is also needed to focus on the quality of higher education vis-a-vis regulating cost structure when benchmarking with US universities. Research also needs to consider the issues on the ground around women’s access and the affordability of higher education in Asia.

Note

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