Containing higher education costs at all costs

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In the 2012 season of flowing academic regalia and stirring graduation addresses on campuses across the country, an unwelcome guest crashed the commencement party — the cost of higher education.

More to the point, the public's growing concern about the value of what tuition dollars purchase these days is a storm cloud over college admissions offices that just won't dissipate. It's a challenge to college recruiters that could be even more damaging than the recession has been. In an economic downturn, consumer confidence will eventually recover. Lack of confidence in higher education's services shows signs of being just as pervasive, and equally complex to solve.

The good news — and there is some — seemingly can't arrive too soon.

In April, I was invited to attend a conference, the "Lafayette Group," convened by President Daniel H. Weiss of Lafayette College, who framed the discussion with a detailed opening keynote address that provided a far-sighted perspective on trends in higher education. Sixty of America's most prestigious private liberal arts colleges, including my institution, Bethany College, were represented.

Cost, competitiveness and value were dominant themes of President Weiss's analysis. We learned that college expenses have grown at rates in excess of the cost of living, and that educational costs now make up more than half of median family income. On campuses, the cost-per-student rate has risen faster than the economy.

What's driving up tuition and fees? The Lafayette Group conference focused on some of the usual suspects — the need for ever-changing technology, competitive salaries to lure top faculty and administrators, increasing costs of the latest science equipment and digital databases. What it costs to educate students properly these days and what we can charge to meet those expenses are way out of alignment, driving up the need for more scholarship funds, increasing the rate of tuition discounting (helping families defray the sticker price of enrollment by packaging student aid) and leading to risky practices like wholesale slashing of tuition when an institution can least afford it. All of this is as true of public, "state-supported" colleges and universities as it is of private ones.

President Weiss noted that the overheated competition between institutions for students has produced a kind of "arms race" to provide the latest features in campus housing and student services while consumer confidence in the value of higher education itself has steadily fallen. One statistic from a Pew Research Center study drove home the point for the college CEO's in attendance: Although 42 percent of college presidents believe that college is affordable for most people, just 22 percent of the public believes it.

One need only to observe the mounting student debt crisis in this country, coupled with dimmed employment prospects for newly minted alumni, to conclude that higher ed could use a public-relations offensive.

We are already seeing some results of shifts in consumer confidence toward traditional colleges and universities. These include a proliferation of online education and for-profit providers and growing discussion about the number of years it takes — and should take — to complete a four-year undergraduate degree. A June 3 article in The Washington Post reminds us of government figures that show a four-year graduation rate of 31 percent for public institutions, 52 percent at private schools. Some institutions "are working the four-year theme into recruiting events as a selling point to the cost-conscious," reports the article's author, Daniel de Vise.
So where are we headed? The good news for private colleges, according to President Weiss and the Lafayette Group conference, is that those institutions offering a comprehensive, residential learning environment, committed faculty, strong post-graduate outcomes and the formative educational approach offered through the liberal arts, with careful financial management and wise investments in technology, will be sustainable. For all institutions, it is clear that demonstrated outcomes tied to student satisfaction, on-time graduation and career success will continue to shape the student-recruitment market, and strengthen public confidence in their investment in higher education.

I would add that sound strategic planning, ongoing recruitment and training of qualified leaders at all levels of colleges and universities, understanding of shifting demographics in the higher education market and a focus on student-centeredness are imperative.

From the turbulent 1960s emerged recognition of the need to take stock of institutional practices. Some observers, like Lafayette's President Weiss, are saying that today's changing higher education environment is no less revolutionary in spirit, and perhaps even more far-reaching as students and parents are beginning to protest not by sitting in but rather, by sitting out.

Higher education is a business; as such, it is increasingly defined by how well it adheres to best business practices — including the ability to satisfy its customer base year after year.