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## NOT WORTH IT

*Restoring the Promise: Higher Education in America*, by Richard K. Vedder.  
Independent Institute, 416 pages, \$28.95

RICHARD VEDDER KEEPS A POST-IT Note in his office: “Never have so many spent so much for so long learning so little.” When Winston Churchill spoke the words on which Vedder’s witticism is based, only 5% of Americans had a college degree, and colleges inculcated a spirit of civic pride and noblesse oblige. Today, more than 50% of Americans have attended some college, and these institutions have become a breeding ground of entitlement and resentment.

In *Restoring the Promise: Higher Education in America*, Vedder, a distinguished emeritus professor of economics at Ohio University, does not provide a roadmap to restoration so much as a catalogue of the ways in which higher education has become a bad bargain. He describes a “triple threat”: 1) college costs have risen dramatically; 2) students don’t seem to be learning much of anything; and 3) only half of the small majority who graduate find jobs that require their credential.

Why have college costs risen? To hear professors and their progressive allies tell it, because the value of college professors has risen, even as the subsidy state universities receive from taxpayers has fallen from about 50% to under 30% of total revenues in the past four decades. Nonsense, says Vedder. Colleges have bloated up on bureaucrats and spend an ever-decreasing share—now about one third—of their expenditures on instruction. And the taxpayers’ subsidy for universities has actually risen substantially, just not as fast as the explosion in college expenditures.

The best explanation is that colleges have increased their expenditures in order to capture ever more generous federal financial student aid. Professors reflexively deny this theory, because it reveals that *they*—not disadvantaged students—are the true beneficiaries of federal largesse. Progressives may decry for-profit colleges as having every incentive to collect as much federal money as possible with no direct incentive to educate their students effectively, but that is no less true for non-profit and state universities. The only difference is who profits—shareholders or rent-seekers. The data cited by Vedder leaves little doubt: if the ratio of campus bureaucrats to faculty had held steady since 1976, there would be 537,317 fewer administrators, saving universities \$30.5 billion per

year and allowing student tuition to decrease by 20%.

Meanwhile, an astonishing 40% of students fail to graduate within six years. And there’s little evidence that those who do receive a degree have learned much at all. Although advocates of higher education insist that college is more important than ever—so much so that we must have “free college for all”—the fact is that nearly *half* of college graduates end up in jobs that don’t require a diploma, and there’s little reason to expect that to change.

UNIVERSITIES ARE SHOCKINGLY INEFFICIENT. College presidents engage in a construction arms race, even as they inadequately maintain their existing buildings, which lie vacant for a third of the year. Professors must “publish or perish” rather than focus on teaching, even though a third of journal articles remain uncited years after publication. Colleges are accredited by a cartel of their peers, a process that provides little accountability to students and their families even as it stifles innovation.

Time and again, Vedder declares that his preferred solution would be to eliminate federal financial aid and dramatically curtail state government involvement, only to acknowledge that it’s politically unfeasible and to suggest more modest reforms. He notes, however, that “political and social milieus of nations can change over time, often abruptly,” and expresses the hope that the political environment in America “can and will change as public uncritical acceptance of the ways of the academy change.”

Higher education is perhaps the most regressive government redistribution, providing a benefit primarily to those with the strongest economic prospects. Ever-expanding federal tuition assistance has not increased the share of graduates from disadvantaged backgrounds and, by driving up the sticker price, has almost certainly dissuaded many from even applying. For every \$100 in their endowments, colleges dedicate less than \$0.67 to lowering tuition for disadvantaged students. Room and board costs have nearly doubled after inflation, undoubtedly in part because students are captive consumers.

Our current system exacerbates the cultural divide: not only do the highly educated

increasingly mix only with themselves, but all the while they insist that a bachelor’s degree is a prerequisite for first-class citizenship, reinforcing their privilege even as they bemoan all forms of oppression.

BUT WHAT CAN BE DONE ONCE PUBLIC sentiment shifts? Vedder suggests three “I”s: information, incentives, and innovation. Government could require universities to publish information about students’ later earnings, which would show colleges to be a bad investment in many cases. Schools could be put on the hook for students who can’t pay back their loans, prompting them to take better care of those they admit and encouraging them to provide a useful education. Accreditation could be overhauled to allow new institutions into the market, ones that could provide a more useful education for a lower cost.

Vedder also recommends that instituting a National Collegiate Exit Exam could provide a better signal to employers about what a student actually knows, and could also serve as a college analogue to a GED, allowing students to demonstrate their knowledge and skill without necessarily having to spend four years accumulating credit hours. No doubt the Left would object that such a test would have a disparate racial impact. But so does the current system—and at far greater cost: barely more than one in five African-American students graduate in four years. As the American Enterprise Institute’s Frederick M. Hess and Grant Addison have suggested in their essay “Busting the College-Industrial Complex,” published earlier this year in *National Affairs*, employers should be sued under *Griggs v. Duke Power Co.* (1971) for the racially disparate impact of requiring a college degree where none is truly needed.

For decades, Republicans no less than Democrats have been profligate and sloppy with their higher education policy and spending. But in a time of increasing public dissatisfaction with America’s colleges and universities, Richard Vedder’s *Restoring the Promise* may yet show future statesmen how best to restore these institutions to their proper place.

*Max Eden is a senior fellow of the Manhattan Institute.*

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