The Public Is Giving Up on Higher Ed
Our current system isn't working for society. Digital alternatives can change that.

THE REVIEW | OPINION

By [Michael D. Smith](#) October 5, 2023

It's common knowledge that Americans are losing confidence in higher education. Even so, the numbers that Gallup [reported](#) this summer were sobering. Only 36 percent of Americans, Gallup found, have "a great deal" or "quite a lot" of confidence in higher ed. That's down from 57 percent in 2015 — a drop of more than 20 percentage points in just eight years.

These findings are no anomaly. Last month *The Chronicle* released the results of a [national survey](#) in which fewer than a third of respondents reported believing that "colleges are doing an excellent or very good job of leveling the playing field for success in society." An astounding 86 percent of respondents reported believing that trade school is "about the same" as or "better" than college. The journalist Paul Tough recently [summed up](#) some of the dispiriting trends in *The New York Times Magazine*. The percentage of young adults who believe a college degree is very important [fell](#) from 74 percent in 2013 to 41 percent in 2019. The number of students enrolled in college has fallen from more than 18 million in 2010 to less than 15.5 million as of 2021. And roughly half of American parents today, Tough noted, would prefer that their children not enroll in a traditional four-year college.

These should be terrifying data points for those of us who work in higher education — our compact with the public has been broken. But many of us have shrugged off the looming threat. Deep down, many of us think the numbers are skewed — whether by Republicans (they're biased against us!), people without college degrees (they're ignorant!), or an increasingly polarized population (the other side is nuts!). In short, it's not our fault.

This is wishful thinking. Yes, the 2015-2023 drop in trust among Republicans in the Gallup poll was large (37 percent), but it was significant among Democrats too (9 percent). And yes, the drop in confidence among respondents without a college degree was large (25 percent), but it wasn't much larger than the drop among those with postgraduate degrees (17 percent). As for the idea that political polarization is to blame, the data doesn't bear this out. Gallup [surveys](#) trust in

over a dozen different American institutions. While trust in higher education fell 21 percent, the others fell, on average, by around just 5 percent. As far as the public is concerned, there's something uniquely wrong with higher education.

There's a more reasonable, if less guilt-assuaging, interpretation of this polling: Americans are waking up to the fact that our system of higher education is broken. The evidence is there for all to see. Student-loan debt increased from $1.3 trillion in 2015 to over $1.7 trillion this year. Nearly a third of borrowers have debt but no degree. The "wealth premium" associated with earning a degree has collapsed. A major study led by the Harvard economist Raj Chetty recently found that highly selective private colleges are amplifying "the persistence of privilege across generations." No wonder that David Brooks, in a *New York Times* opinion column, recently called admissions "one of the truly destructive institutions in American society."

I fear that we in the academy are willfully ignoring this problem. Bring up student-loan debt and you'll hear that it's the government's fault. Bring up online learning and you'll hear that it is — and always will be — inferior to in-person education. Bring up exclusionary admissions practices and you'll hear something close to, "Well, the poor can attend community colleges."

On one hand, our defensiveness is natural. Change is hard, and technological change that risks making traditional parts of our sector obsolete is even harder. "A professor must have an incentive to adopt new technology," a tenured colleague recently told me regarding online learning. "Innovation adoption will occur one funeral at a time."

But while our defense of the status quo is understandable, maybe we should ask whether it's ethical, given what we know about the injustice inherent in our current system. I believe a happier future for all involved — faculty, administrators, and students — is within reach, but requires we stop reflexively protecting our deeply flawed system. How can we do that? We could start by embracing three fundamental principles.

1. Digitization *will* change higher education.

I know, I know, you've heard it all before. MOOCs and other online-learning technologies were supposed to disrupt everything in higher ed — and yet here we are, 10 years later, and nothing much has changed. Experts said disruption would happen, it hasn't, and therefore it never will. *Quod erat demonstrandum*.

I don't buy the last step in that proof, and here's why. Our model of higher education has traditionally depended on controlling three scarcities: of access (class size, selectivity), of instruction (faculty experts, educational support), and of outcome (university degrees, university reputations). MOOCs and other online technologies created abundance in access and instruction, which is why they seemed poised to disrupt everything — but they didn't create abundance in outcomes. Today you can take as many online courses as you want, but they still don't give you credentials that are anywhere near as valuable as a four-year degree. Hence, no major disruption.

But this is starting to change. A growing number of third-party companies and organizations, among them Google, Amazon, and LinkedIn, now offer online programs that allow students (at their own pace, on their own schedule, and at low cost) to earn microcredentials that certify their proficiency in specific skills. Some, like Kaggle, Topcoder, and CrowdAI are making a name for

themselves as places where companies can find highly trained, top-quality data scientists and coders.

Traditional higher education tends to overlook or dismiss these "inferior" programs. But it would be foolish to deny that they have enormous potential and are gathering steam as a real alternative. Consider the case of IBM, which for many years required college degrees for all of its jobs. Recently, to avoid introducing unintentional bias into its hiring practices, the company de-emphasized college credentials and now something like 50 percent of its job openings don't require a four-year degree. IBM's new, nondegreed hires have turned out to be every bit as qualified and productive as those with degrees, and many come from populations traditionally underrepresented in both higher education and the skilled work force. Google has de-emphasized job applicants' college GPAs and now relies on a series of practical tests and behavioral interviews in its hiring, a shift that has led it to employ substantially more people without college degrees.

2. We should *want* to embrace this change.

You could look at those shifts in the job market and argue they're no big deal, or at least that they won't impact the market power of your institution. And that might be true for now. But there's an even stronger argument for change: If we care even half as much about social justice as we say we do, we should desperately want to upend the system.

Raj Chetty's research tells us that children born into the top 1 percent of the income distribution are 77 times more likely to gain access to an elite college than students born into the bottom 20 percent of income. I'm trained as an economist, which means I believe in the efficient allocation of scarce resources, among them seats at selective universities. If we genuinely believe that rich kids just happen to be 77 times more likely to be capable of an elite education than poor kids are, then sure, the system is working just fine. But if we don't believe that — and I don't know anyone who does — then we have to admit that there's something deeply wrong with higher education.

This is the point where many of my colleagues tell me that we have plenty of decent, affordable, nonselective universities, many of which are open access. But that's only a fix if the degrees these nonselective institutions grant are as valuable as those from highly selective universities — and we know they aren't.

Another point of resistance I hear frequently is that this is all the government's fault. If we could just get more Democrats elected to public office, the theory goes, then we'd get all the money we need to create more opportunities for poor students to attend our pricey colleges. I just don't buy this idea. These injustices are systemic, and we aren't going to be able to solve them from within a broken system. What we need is a low-cost, high-quality alternative.

3. We have a *way* to embrace this change.

For many years my colleague Rahul Telang and I have studied technological change in the entertainment industry. We've been impressed by the degree to which major music labels and major studios, for example, have been able to respond successfully to the past couple of decades of disruptive technological change. They've proceeded in fits and starts, and it hasn't always

been easy, but they've managed to change their business models and organizational structures in the face of that change. Their success is something that we in higher education can learn from.

Why have the major labels and studios had so much success? I think it's because they have such a strong sense of their mission. When digital disruption initially hit the music industry a couple of decades ago, leaders in the industry opposed it, because they (rightly) saw it as a threat to their model, which was selling shiny plastic discs at $20 a pop. But at some point they realized that their model was different from their mission, which was creating great entertainment and getting that entertainment in front of an audience. And that new perspective changed everything, because they realized that new technologies supported their mission, even if they threatened their old model.

Many of my colleagues oppose online learning because they see it as a threat to our model of education. And they're right — it is. But they're not thinking about our mission, which is creating opportunities for as many students as possible to discover and develop their unique talents, so that they can use those talents to make a difference in the world. If new technologies disrupt our old way of doing things but allow us to advance our mission, then I say so be it.

Online education today has the potential to do just that. Why? Because it's just as easy for a professor to teach an hourlong class to a thousand students as it is for her to teach a class of 10. This translates to lower costs. A case in point: Between 2011 and 2021, when colleges on average raised tuition by 40 percent (measured in current dollars), Southern New Hampshire University kept the cost of its online-degree program exactly the same: $10,000 per year.

SNHU isn't for everybody. But it's a hugely valuable resource for students who traditionally haven't been well-served by our system of higher education, or who have been walled out of it altogether. There are certainly a lot of students who are taking advantage of what SNHU offers. The institution currently has over 3,000 on-campus students and over 170,000 online students.

And SNHU isn't alone. Similar programs include Arizona State's online bachelor's degrees, Georgia Tech's online master's in computer science, and Golden Gate University's partnership with Outlier.org to deliver online associate degrees. You can sneer all you want at the "inferiority" of these programs, but together they're educating tens of thousands of students each year, many of whom wouldn't have been able to attend or afford a traditional college.

For a long time, society was willing to look past the financial expense and moral injustice of our traditional model of higher education because it didn't have any good alternatives. Today's online learning platforms change that. We have a once-in-a-lifetime opportunity to create a more open, flexible, inclusive, and lower-priced system that can scale to accommodate the hundreds of thousands of capable students who are being left behind. If we embrace that opportunity, just think how much value we might create for those students — and how much value those students, in turn, might create for society.

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