

THE FUTURE OF HIGHER EDUCATION

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It is a difficult thing to write about the future of one's own field of endeavor, especially if the forecast is for change. However, that is the forecast. Change is coming. One thing is clear. Education at all levels will be transformed by the dominance of choice. Christians have often bemoaned the disintegration of a shared cultural consensus (specifically, a Christian cultural consensus), but there is much more than the edifice of a broad Christendom which will be pulled down and reconstructed into something new. The large institutions of the 20th century will face a continuing revolution of personalization and individual autonomy.

The America of the 20th century scaled its institutions up in order to serve the needs of a rapidly growing population. Government agencies grew and gained jurisdiction over the lives of large numbers of people. Congress provided a broad tuition benefit to the great masses of veterans which shifted a gigantic new demographic into colleges and universities. The mega-entities of today rose out of that paradigm shift. They were also stimulated by the powerful growth of the United States economy which offered nearly endless opportunity to those willing to do things such as take on extra education. Public dollars flowed into higher education. Private dollars (specifically, tuition dollars) followed in their wake. After all, if a good is offered at less than its real cost, the rational consumer buys and buys and buys.

Over time, the combination of subsidies, growing consumer demand, and the introduction of the wired campus (necessitating lots of IT infrastructure and personnel) have worked together to substantially increase the costs of operating colleges and universities. In addition, the schools have waged a war of improvement in their facilities and programs in an effort to attract a larger share of students and the dollars associated with them. (Note how rare it is now for students to share bathrooms with everyone on their floor in a new dormitory. The older models were just a step above barracks. In some cases, they actually WERE rehabilitated barracks.) The result, which we have also seen in the highly subsidized field of health care, has been a rapid increase in the price of tuition and fees.

FROM PUBLIC MONEY TO PRIVATE MONEY

Today, we have reached a point of decision about the universities. Will the public sector continue to pour money into the institutions? The answer appears to be, “No.” Part of the reason for rising tuition among the state schools is that legislatures are providing fewer subsidies for tuition. Parents and students have to make up the difference. The federal outlook also looks bad. Entitlements such as Social Security and Medicare show little sign of loosening their grip on the federal budget. At the same time, defense spending is high. Interest on the national debt has the potential to explode, thus further inhibiting the government’s ability to spend. Pell grants and loan guarantees may well be vulnerable when budget cutting ceases to be a debate and becomes a necessity. As public money declines as a proportionate influence on higher education, private money (meaning real consumer dollars) will have greater influence. Private money feels more distress at high prices than public money does. While higher education was perceived as a subsidized good available at less than the “real” cost, consumers could not get enough of it. But as real costs begin to be felt by the buyers, they want a greater guarantee of return on investment. They also want more options and flexibility. In other words, they are treating higher education as a market good rather than as some separate, hallowed social institution deserving deference and sacrifice on their part.

THE REVOLUTION IN DISTRIBUTING EDUCATIONAL CONTENT

This greater demand on private money to pay for the good of higher education is occurring during a period of amazing technical innovation. We live in an era when it is possible to access virtually any kind of content from almost anywhere. The great majority of us (in America, for example) possess electronic devices which we can use to read, listen, watch, and talk about virtually any subject. These devices are outstanding vessels into which educational information can be poured. The book was already an extremely good technology. Consequently, the profusion of libraries and the growth of personal book collections made it possible to access information in a very democratic fashion. But the internet has made it possible to augment that technology of text with pictures, sound, and links to far more information than could ever be contained in a single book. The new digital packages are up to the task of distributing information, and even some teaching, very efficiently.

The revolution in distributing educational content makes economies of scale available to colleges and universities. For example, a college could develop an extremely good online course in American government and offer it to as many students as would like to sign up. A class of that nature can be set up with multiple choice exams which can be graded automatically. Such a course would be especially helpful to large state universities which have struggled with the logistics of offering general courses to huge populations. No more need for giant auditoriums to host U.S. History 101 at the big state schools. What was sometimes done awkwardly with communal videotape could be done efficiently with online distribution.

LARGER POSSIBLE CHANGES AHEAD

The really interesting twist here is that courses could simply be purchased by institutions. James Q. Wilson (who died this year) had one of the best-selling American Government texts. I taught a class using his book last year. It has been some time since I have offered a standard American Government section. To my amazement, the

book brought with it something like a course in a box. It would have been possible to teach the course with very little work on my part. I had the book, Powerpoint slides for every chapter, pre-written exams, short instructor outlines, etc. It is only one more additional step for the publisher to include lectures by the great James Q. Wilson, himself. Put in that additional element and you have a fairly complete class taught by a master. The institution could then add on a graduate assistant or a cheap adjunct professor to meet with the class once a week for questions, conversation, clarification, and evaluation.

Though this road is attractive in many respects, it contains the seeds of woe for universities. An academic publisher such as Cengage or Pearson will eventually find a way to cut the middleman out of the equation, entirely. Why couldn't the publisher find a way to get its comprehensive courses accredited and made available to students anywhere who wanted to take them and apply them as credit to a transcript? Such an eventuality is not too far away. In a sense, there are teachers and there are students. The relentless advance of creative destruction fueled by technology ruthlessly removes intermediaries. Universities could end up in the position of intermediaries unless they are very strategic in planning next moves. We could see a day in which professors seek accreditation rather than institutions, while students put together official transcripts of courses taken from various accredited professors. Such an outcome is a real possibility.

But then again, what can be extrapolated is not always a good foundation for predicting the future. The first thing that can be said is that the traditional mode of university education is unlikely to simply disappear. The more likely outcome is that the number of options for obtaining an education are going to increase dramatically. Some schools will purposefully continue on in the way we now take for granted. Others will host a blended experience of online and/or prepackaged content presented alongside classroom instruction. Online options will become more sophisticated and will offer improved content. The pressure is going to be for everything to get better and cheaper.

That will happen, but the effort of doing so will come at a cost for universities and for professors. For many years, schools have simply adjusted tuition up incrementally and then used the additional income to fund new programs, pay raises, etc. That era is over. It is officially time to innovate in ways that will give students greater value for less money. The institutions that fail to do that (barring the existence of giant endowments) will see their competitive position erode consistently over time. Part of the adjustment will come by reforming the cost structures of universities. To give one simple example, professors will be less and less able to assume that tuition dollars can pay for them to travel to conferences and pay for time to write and do research. Those activities will continue, but they will bear a heavy weight of justification.

A CASTE SYSTEM FOR PROFESSORS

A deeper implication is that the profession of college teaching may develop a more stratified caste system than it currently has. We are all accustomed to the system of tenure-track jobs known as assistant professor, associate professor, and full professor. The ranks carry different pay levels and often delegate more grunt work of teaching downward. Each one of these people represents a long term investment. Professors are not lightly dropped. As a result, schools have resorted to using alternative labor to achieve the same result. They hire adjunct professors who need no more than a single semester commitment and a small fee with no benefits. Many schools with extensive graduate programs employ graduate students to the same effect. This trend of more cheaply extending the professoriate will continue. Fewer and fewer tenure track professors will be hired. Instead, schools will make increasing use of visiting slots, contract faculty, adjuncts, and master's prepared individuals (to facilitate some of the pre-fab courses). As a result, institutions will gain significant labor flexibility. Have a bad year recruiting students? You can just hire fewer seasonal instructors. The caste-like nature of the professoriate will be more obvious than ever as a relatively small number of professors enjoy full rank and privileges compared to those who round out the teaching force

more economically. Ultimately, the professoriate will mainly be made up of those who are gifted at creating educational content and/or performing highly useful research. Everyone else will become more of an educational facilitator. Educational facilitators will provide value by answering questions, giving assignments, and evaluating students. Their ranks will grow substantially. The job will likely command less prestige and income than the old style professoriate has come to enjoy as those perks will be available to a diminishing few. What is true of the traditional professor's position is simply the truth about virtually all professions as market forces push change and innovation. Fewer privileges will be protected. Value-added will be an exacting test that more and more people will feel in their work.

FIGHTING TO STAY IN THE TRADITIONAL SPACE

Just as the nature of college teaching will change, so will institutions. There will be less room in the market for traditional providers of college education as we have understood it. That model is not going away, but it will be the premium model. Those schools who wish to maintain a truly traditional presence will have to be ready to defend their position in that market. For some colleges, it will be easy. Some schools will be able to continue in the traditional space on the sheer power of accumulated wealth and tradition. Those who do not have those benefits (especially the wealth), such as many of the faithful Christian institutions, will only be able to stay in the traditional space to the extent that they are able to demonstrate a very clear difference in their offerings. They will need to show that residence on their campuses means something to students after four years both in terms of education and character formation. It once very clearly meant something to be a Princeton man, for instance. If many of the evangelical schools want to persist in the premium, traditional market, there will need to be substance behind the idea of a Union or Wheaton man or woman. That substance will refer back to Christian orthodoxy, spiritual seriousness, sanctification, and fluency in Christian thinking.

But even for the institutions that do everything right to stay in the traditional space, the changes alluded to in the professoriate

are likely to occur. In addition, there will be continued pressure for the liberal arts and other portions of the core curriculum to justify themselves. Professional schools (and their accreditors) will press for more hours out of the whole. The likely result is continued diminution in the traditional core unless universities who value it are able to make a compelling case for its contribution. Appeals to being well-rounded or well-educated strike the marketplace with diminishing force when prices are perceived to be high. This problem is one of the most painful for me because I discovered the liberal arts and their amazing value in forming judgment and perspective later in life. Unless we find a way to counter this particular trend (perhaps through philanthropic subsidies of liberal arts offerings), the result will be an inevitable coarsening of the culture (which, of course, we have seen) and a loss of the long view in evaluating many of the important decisions we must make both as individuals and as communities.

THE MOST VULNERABLE SECTOR

Contrary to expectations, the institutions that will come under the greatest pressure will ultimately not be the traditional schools (though they will have to grapple with change). The greatest pressure will apply to the entities currently believed to be the wave of the future, which are the online programs. If you are considering a long term financial investment in the University of Phoenix or one of its competitors, I would urge you to go elsewhere with your funds. The online education companies are the closest thing to pure intermediaries in the whole higher education sector. If the producers of online educational content make the leap I have suggested they will make, then entire online courses of study will be available from big textbook publishers instead of from the University of Phoenix or Strayer or some other provider. In fact, even the publishers will eventually be vulnerable as teams of accomplished and entrepreneurial academics could put together their own courses, seek accreditation for them, and then offer them on the market directly to students. The key is a move from *accreditation for institutions* to *accreditation for educational content*, but it is a logical and

efficient move that will satisfy needs in the market. Contrary to conventional wisdom, the pure or mostly online institutions have far less to protect them from creative destruction in the educational market than does the more traditional entity. Traditional colleges and universities are able to offer a much more full-orbed experience, which insulates them at least somewhat from the market pressures that hit commodities hardest. The University of Phoenix is a commodity player.

PROJECTING STILL FURTHER OUT

The most important part of the argument so far is that educational content creators will work to cut intermediaries out of the equation. Publishers will struggle to survive. Commodity institutions will be cut out. Traditional colleges and universities will resist being cut out for a few reasons. *First*, they are able to provide the college experience that Americans still value and hope to provide for their children. *Second*, they often have distinctive character and customs which appeal to parents and students. *Third*, they can offer physical community and the relationships that follow from those. *Fourth*, in some cases they have made infrastructure investments that are not easily replicated. For example, I think of Union University's nursing simulation labs. They are costly and offer education that is not easily provided elsewhere. Readers can probably come up with some other protections the traditional players have. Just to reiterate, though, despite the buffers, traditional players will have to be able to make a convincing sell on the value of their degrees. They will also have to contain and/or cut costs vigorously in the near future.

Reaching further out into time, we have the question of the relationship of the professor to institutions. If creative destruction has a tendency to cause disintermediation, what will happen in the relationship between professors and the institutions to which they have typically been tied? To the extent that infrastructure, machinery, and specialized materials are needed, then professors and institutions will still be tied together. But what about the many college courses in which what mainly goes on is a transfer of information and expertise between the professor and the student? Will

we eventually see a situation in which college professors become independently accredited in the same way lawyers and doctors are? Will it be possible someday for students to create their own patchwork transcript of work taken from a variety of independent professors, institutes, think tanks, hospitals, government agencies, corporations, and universities? Given the conditions of high price, rapid technological innovation, disintermediation, and great market scrutiny of the value proposition, I think such a general turn is possible.

If professors do gain a degree of independence from institutions, it seems likely that alliances between the two will remain. In many cases, professors will sell their classes to institutions which will then add educational facilitators to the mix to provide the student with more assistance. Universities will also be able to provide professors with a baseline income they may need to provide the basis for their more entrepreneurial activities. They may make arrangements to pay professors less and with more flexible terms, which will ensure an affiliation and at least some dedicated time from the professor for the specific school. What is almost certain to end is tenure as we know it. The security of tenure fits poorly with the dynamism and flexibility of a modern and constantly evolving economy. Professors and colleges will form alliances, but on much more fluid terms than before. In many cases, the relationship may be based on spiritual and ideological relationships as much or more than economic ones.

CONCLUSION

Predicting the future is notoriously difficult. Even physical scientists find it difficult as evidenced by the magazine covers of the 1970s promising a new ice age which stand in stark contrast to the dire predictions of global warming which dominated the last decade. But I think the broad outlines of what I have discussed here will hold. Traditional institutions that really have a tradition and distinctiveness will survive, although in smaller numbers than today. This is good news for institutions like Union which are serious about their mission and identity. Pure online institutions

will suffer massive competition from the creators of educational content. Schools will make greater use of professor extenders very much like healthcare institutions rely on physician extenders. The concept of accreditation will expand to professors and to courses rather than residing simply with colleges. The relationship between professors and institutions will become much more flexible. Some of these changes will occur in the near term. Others may take decades to reach fruition.

One thing is certain, though. Higher education is directly in the path of creative destruction. The smart players will figure out the right market for them to serve and how to offer the best value for the lowest price to their customers. Everyone in the game needs to be figuring out where they sit on the board and what the right path forward is for them.

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