

Policy Brief: Student Debt & “Administrative Bloat”

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College costs have more than doubled in the last 40 years. Many students now borrow large amounts of money and incur unmanageable debt. Meanwhile, bloated university bureaucracies continue to hire expensive administrators and staff for jobs which do little if anything to improve classroom teaching. Student debt pays for administrators’ salaries; this amounts to a massive wealth transfer away from America’s middle-class families into the hands of dysfunctional higher education bureaucracies.

Why is college so expensive? Students as customers, patients, or political activists.

The National Association of Scholars’ (NAS) report *Priced Out: What College Costs America*¹ defines “administrative bloat” as *the wasteful expansion of spending on administrators and staff* and defines “wasteful” to mean *not directly relevant to instruction*.

In recent decades, American colleges and universities increasingly have replaced classroom instruction that transmits knowledge and develops critical thinking with “social justice” political activism,² informal therapy (“student wellness”), and community investment. Examples include the Best Advocacy Movement (BAM) at the University of Florida, which teaches the ideology of *diversity, privilege, and oppression* and provides vocational training in activism (“how to be agents of social change”), “Wilderness Therapy” at Alaska Pacific University “to gain insight into therapy traditions,” and “Student Wellness” at West Virginia University, which teaches students how to install ziplines.

Priced Out found that the number of higher education administrators and staff nationwide grew by about 50% between 1987 and 2018. Many administrators receive six-figure salaries, such as the University of North Carolina’s Senior Director of Diversity and Inclusion (\$137,000) and the University of Nebraska’s Vice Chancellor for Global Strategies (\$200,000). The staff increase has been accompanied by increased expenditures for marketing, public relations, and government relations, but much less for student instruction and learning.

1 Neetu C. Arnold, *Priced Out: What College Costs America* (National Association of Scholars, 2021), <https://www.nas.org/reports/priced-out>.

2 See also David Randall, *Social Justice Education in America* (National Association of Scholars, 2019), <https://www.nas.org/reports/social-justice-education-in-america>.

The predictable result has been a decline in academic rigor and excellence. Colleges must now also spend significant quantities for remedial education—although data suggest that such remedial services are ineffective and therefore are themselves a waste of money.

Many schools now dedicate themselves to political activism and commercial profit rather than to educating students. Their changed mission means explosive and expensive growth in the number of administrators. Debt-laden graduates and their families pay the price.

Key Findings: *Priced Out: What College Costs America*

- **Easy Money: Financial aid fuels tuition increases and administrative bloat.** The primary supply-side factor contributing to rising tuition is easy money. Schools raise tuition to absorb all available money, including student loans and other subsidized aid.
- **State disinvestment is not the main cause of rising tuition.** Tuition increases at our sample public universities far exceeded their losses in state funding. State disinvestment, therefore, cannot be the primary cause of rising tuition.
- **Families view college as an economic security blanket.** Students and parents view college as an insurance policy against perennial unemployment or dead-end jobs.
- **Students choose college because of fear and few options.** Students and families often decide on college out of fear. They view college as the sole route to career success.
- **Administrators fear public opinion and onerous regulation.** Administrators fear the burdens of federal and state regulations, as well as those imposed by accreditation. They also fear the consequences of losing reputation with the public, lest the school suffer enrollment declines and falling tuition income.

Recommendations

- **Condition funding on cutting administrative costs and a renewed commitment to undergraduate instruction.** Federal and local governments should condition funding on a school's commitment to focus on classroom instruction, cut administrative bloat, and freeze tuition.
- **“Skin in the game.”** Universities should have “skin in the game”: when students cannot repay their students loans, schools must assume partial financial responsibility for the default. Universities that share financial risk will not only be less likely to entice students into unwise borrowing but will also provide a check on it at the front end to prevent financial troubles down the road.
- **No money for remedial education.** Federal and state governments should cut funding to four-year universities that provide remedial education and related services.
- **State universities should offer 2-3 year vocational tracks.** Public institutions should create 2-3 year vocational tracks to reduce the time and money necessary for college. Some classes should be taught by industry veterans who can help students find jobs by giving them practical insights and professional contacts.

- **Transparency: Make university salaries public.** State governments should make salary information of employees of state universities more easily available to the public, ideally via an online database.

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