Education: Higher Ed
Discussion Guide

Let’s get started
*Each member is invited to give a two minute reaction to the brief answering the following questions. You may want to use a timer as you go around the room. And don’t forget to decide who will take notes and post a discussion recap.*

- What lens did you wear when reviewing this brief (e.g. personal, professional, etc.)?
- What did you find most interesting from reading the brief?
- What do you most care about regarding this issue?

Let’s discuss
- What should be a higher priority: Expanding access to the current system, or reforming it and encouraging alternative options?
- What is the value of higher education?
- What worries you most about our education system? Cost? Control? Performance? Ability to prepare young people for today’s economy? Low graduation rates for low income student?

Let’s act
- How does higher education policy affect our community? Is this an issue we’d like to learn more about? If so, who could serve as point people?
- What organizations, legislators and journalists could we contact to ask questions, learn more and get engaged?
- Who can post a meeting recap of this discussion and be a resource to other circles on this issue?

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Key Facts

- Outstanding student loan debt is over $1.4 trillion.
- The cost of college has more than doubled over the last 30 years (CollegeBoard), but median family income has only increased slightly and has not kept up with soaring college costs.
- There are 44.5 million student loan borrowers in the U.S.--37.5% of them are under 30; 62.5% are 30 or older. (Nerd Wallet)
- 4.7 million federal loan borrowers have loans in default. (U.S. Dept of Education Federal Student Aid)
- With the current level of student loan debt, on average 2018 college graduates can expect to retire at age 72, and to have enough money for a 20% down payment on a home at age 36. (NerdWallet/Harris Poll, 2018)

Principles of Reform

Many solutions to our higher education troubles have been offered by market-oriented policy experts. Some of the most promising ideas include:

- Redirecting some higher-education funding to technical education and technical training programs will create more opportunities for those who want an affordable way to hone their skills.
- Liberalize the accreditation process to allow more types of educational institutions to emerge, creating a more robust market.
- Re-establishing loan limits to restrain tuition growth so colleges could no longer pass their costs off to the taxpayer.
- Encourage creative college financing – like the income share agreements proposed by Senator Marco Rubio and former Indiana Governor and current President of Purdue University Mitch Daniels that allow students to pay part of their tuition out of their future future earnings to finance college. The idea caught on, with Inside Higher Education reporting that "In the Purdue program's first full year, Malone [Purdue’s Director of Financial Aid] said, the 160 students who accepted roughly $2 million in income share agreements came from 70 different majors representing all of Purdue's undergraduate colleges. Seventy-five percent of the students had calculated financial need, and 23 percent were eligible for federal Pell Grants."
Unlike a student loan, an ISA is adjustable to students’ post-graduate levels of income, thereby reducing graduating students’ debt and financial risk.

- Publicize the economic outcomes for students by college and major to help students and their families make informed decisions about college choices that are currently made with very little information.
- Make colleges partially responsible for student-loan defaults to give them an incentive to make sure students graduate with useful knowledge and skills.
- Consolidate the numerous higher education tax incentives into a single credit to make it easier for students and their families to navigate the complicated tax code and save taxpayers money by focusing credits on those who need them most.