Legal INSIGHTS

with Jeffrey W. Larroca

Debating the Value of a College Degree

It used to be beyond question that an individual entering the job market was better off with a college degree than without. As Secretary of Labor Hilda L. Solis recently stated when announcing $500 million in grants to community colleges and universities around the country for the development and expansion of innovative training programs (part of a $2 billion outlay championed by the Obama administration), "These federal grants are part of the Obama administration's ongoing commitment to strengthening American businesses by strengthening the American workforce. This strategic investment will enhance ties among community colleges, universities, employers and other local partners while ensuring that students have access to the skills and resources they need to compete for high-wage, high-skill careers."

Of course, community colleges are nowhere near as cost-prohibitive as public and private four-year universities and colleges. And, with the economic downturn, many college students took their college degrees and went straight to graduate school to further their educations and options and perhaps to wait out the downturn, but the gamble is indeed heavy. When I graduated from law school in 1993, tuition had just been hiked into the five figures, and in my last year I saw a tuition bill in the $13,000 range. At the time, the fee seemed astronomical. Today, however, I keep any concern I had over what seemed such an exorbitant amount to myself, considering the current costs of a law school education along with the bleak job market. According to one law school website, the cost is more than $70,000 for one year of law school. Multiply that number by three and you're talking real money.

The debt burden has proven onerous indeed—so much so that recent law school graduates are bringing suits against law schools. As recently reported in *The Los Angeles Times*, "Michael D. Lieberman decided to enroll at Southwestern Law School after reading that 97 percent of its graduates were employed within nine months. He graduated in 2009, passed the bar on his first try, but could not find a job as a lawyer. He worked for a while as a software tester, then a technical writer, and now serves as a field representative for an elected official. Lieberman, who earned his undergraduate degree at UC San Diego, is one of dozens of law graduates across the country who have joined class-action lawsuits, alleging that law schools lured them in with misleading reports of their graduates' success . . . Nearly 20 lawsuits—five of them against California schools—are being litigated at a time of dim employment prospects for lawyers. Much of the work once done by lawyers can now be done more quickly by computers." Most former college and law students, however, are not engaging in litigation, rather just trying to keep their head above water as the pressure of unpaid student loans becomes more urgent. Indeed, a recent study by The Federal Reserve reports that 18 percent of student borrowers currently owe $25,000 to $50,000, and nearly 4 percent owe six figures.

Is college worth it? The scale probably still tips in favor of the expense.

So, is the presumption that a college or post-college education is a sure enhancement of an individual's economic prospects still valid? The scale probably still tips in favor of the expense. According to *Help Wanted: Projecting Jobs and Education Requirements Through 2018*, a study by the Georgetown Public Policy Institute, between "1973 and 2008, the share of jobs in the U.S. economy which required post secondary education increased from 28 percent to 59 percent. According to our projections, the future promises more of the same. The share of post secondary jobs will increase from 59 to 63 percent over the next decade."

A darker view that still supports the argument was recently articulated in a *New York Times* article entitled, "It Takes a B.A. to Find a Job as a File Clerk:" "The college degree is becoming the new high school diploma: the new minimum requirement, albeit an expensive one, for getting even the lowest-level job."

The counter argument is epitomized by PayPal co-founder Peter Thiel, who, in 2011, offered $100,000 to young people to forgo college for two years to instead work on scientific and technological projects. Thiel's offer was a direct slap at what he deemed the "default option" of college, and he particularly targeted, "the for-profit schools. The less good colleges are like the subprime mortgage lenders where people are being conned into thinking that this credential is the one thing you need to do better in life. And they're actually not any better off after having gone to college; they typically are worse off because they've amassed all this debt."

While billionaires are not lining up to pay high school graduates thousands to break a mold, the body of revisionist thought at least suggests a more strategic inquiry for high school grads mulling a college degree, including judicious bargain hunting, greater consideration of commuter schools to avoid those dreaded "living expenses," and a more realistic assessment of the values of certain majors. Finding a job in today's economy is a tough hurdle, but the hurdle is made all the higher by the burden of college debt.

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