

Tuition plan has pros, cons

Colin Read: Everybody's Business

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— Gov. David Paterson has proposed that our public colleges and universities be allowed to determine their own tuition rates. Such freedom for these institutions is a good idea. Unfortunately, the implementation of the new policy may be problematic.

Education is a classic public good. Our economy benefits from a well-educated, skilled, and well-trained workforce, as do the companies that hire our college graduates. However, employers have little incentive to train workers if those workers can easily take the skills they've developed as an employee and move on to the next highest bidder.

Also, individuals are unwilling to invest in their own education to the maximum degree. Education is costly, and while a graduate will certainly receive more and better job prospects by investing in education, two other entities benefit, as well. The company that hires the college graduate will realize higher profits and the economy will generate more income, have a lower crime rate and create happier families.

As a consequence, individuals will not invest fully in education if they receives only a partial share of the benefits that accrue to the economy as a whole.

This concept can be likened to other investments one might make. For instance, we hear the familiar argument that capital gains should be lowered so investors will have a greater incentive to invest. Many economists agree that minimal capital-gains taxes should be levied only for those willing to invest in true productive capacity that generates jobs on Main Street. The tax code even enshrines this principle. Similarly, the government at times provides subsidies for certain jobs that generate positive spin-offs for the economy.

Education that is carefully targeted at job creation and productivity enhancement is no different. We should be doing what we can to help share in the costs of those willing to pursue an education that is in demand and helps make our economy more productive.

I also believe that everyone has a right to a high-quality and affordable education. Actually, I believe we, the people, have a right to any activity that allows us to pursue our own happiness, so long as it does not harm anyone else. Education is no different.

I would even go a bit further and agree that all education should be at least partially subsidized because education is a public good.

I began thinking about this issue because Gov. Paterson is proposing to allow SUNY and CUNY public colleges to have some latitude in setting tuition rates. Certainly, all public education is currently subsidized. However, the subsidies are too blunt. They do not differentiate between those studies that the economy needs the most and those that have fewer positive spinoffs.

SUNY Plattsburgh President Ettling had the right idea in his recent comments to the Press-Republican. He recently said, "A rational tuition policy for our students and an end to overregulation, if approved by the state legislature, would go a long way toward making a public education more affordable to students, and toward creating jobs."

Dr. Carol Brown, president of North Country Community College, also noted, "At a time of reflection and renewal throughout the North Country, this legislation will provide us with the flexibility to create and shape our career programs, join with our private sector in new partnerships, and continue to be good financial stewards."

She adds, "I know from my experiences these types of (private-public) relationships are a win-win for everyone. The college is part of a collaboration that builds and strengthens the economic and workforce-competitive edge of a region. This act is a major step in creating cost-effective education environments that will create jobs and build the foundation for tomorrow's economy for the state of New York." Her analysis is spot on.

She recognizes that an aging population needs more doctors and nurses, and global competition requires our nation to innovate by producing more scientists and engineers. We probably need a new cadre of business students, too, that have a better ethic than those whose greed brought our economy down.

I fear the policy Gov. Paterson proposes, if implemented, may do precisely the wrong thing, though.

For instance, this country does not graduate enough nurses or, for that matter, engineers. As a consequence, the working conditions for many nurses are challenging, and their salaries must be sufficiently attractive to compensate for sometimes challenging working conditions in a field with chronic shortages of qualified health-care professionals. We should all be grateful for the dedication of these professionals willing to work in such a highly valued profession.

However, some argue that we should charge students more in high-skills, high-salary professions. Dr. Jablonski of Clinton Community College perhaps suggested so when he viewed an advantage to differential tuition. He said, "This is a key for the development of certain career and technical programs at the community college. For example, it is much more costly to deliver high technology and health care programs than it is to offer programs in the liberal arts."

Yes, these programs are expensive, partly because of their highly technical nature, and also partly because those who teach in studies in great demand, and high pay, are also paid highly so they will teach instead of practice. The high costs of such programs are simply the necessary costs of global competitiveness.

If we correspondingly charged students more for high demand and high-cost fields of study, we will only create fewer graduates in these areas and make matters even worse. This is not the solution, as appealing as it may be to try to subsidize the less popular programs by imposing a tax on the programs the economy needs most. No, program demand should not be the ruler by which we cross-subsidize programs.

Instead, we should recognize there are fields of study that are of strategic importance for our economy. We should encourage more students to partake in these studies, and we should be willing to expect more from all students we subsidize. We should do so not because it is good for them — rather, the development of those skills are good for everybody's business.

I am sure there is one thing upon which we can all agree. The daughters and sons of New York State deserve the best education we can give them.

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