THE CHRONICLE
of Higher Education

Administration

September 7, 2009

Reward Colleges Not for Rankings but for Social Responsibility

By Gary Rhoades

American institutions of higher education have long been driven by an aspiration to move up the prestige hierarchy, in what David Riesman called a "snakelike procession." Ranking systems such as *U.S. News & World Report*'s have recently intensified this status-seeking; the education-reformer Lloyd Thacker has said institutions are "driving under the influence."

They are driving toward higher costs, larger shares of money spent on noneducational matters, smaller shares on educational expenditures, and less access for lower-income, minority students, the fastest-growing populations.

Although aspiration is good, we are at the point at which the frenzied chasing of status is counterproductive for institutions, the system, and the society we serve.

For three decades, the drive for institutional status-seeking has been part of the drive to generate revenue, a pattern I call "academic capitalism." As colleges and universities have sought to generate more of their revenue, they have substantially raised tuition, worked to maximize net tuition revenue by chasing students who do not need aid, become more aggressive in fund raising, expanded auxiliary enterprises and contracts with business, invested in facilities to attract students who will pay (and donate) more, undertaken online and overseas educational ventures seeking new markets, and directed more money to research and technology transfer. All of this has led to rising costs, tuition, and fees.

Institutional costs in American higher education are related to college and university ambitions to gain status and revenue. Not only do institutions spend all the revenue they receive, they also spend revenue they have not yet received, in the hopes of gaining greater prestige and revenue—what I would call an aspirational venture theory of cost. Colleges often make bad investments in ventures driven by (often unfulfilled) ambitions, paying too little attention to costs, proffering too much faith in the hoped-for benefits, and passing along costs to students.

Paradoxically, as costs to students have been rising, investment in the academic work force that produces higher learning has been falling. The labor cost of the faculty, now generally less than a third of institutional costs, has been declining, as faculty members have become an increasingly part-time, contingent, low-paid work force. Moreover, the average age of faculty members in four-year institutions is now over 50, compromising the system's ability to accommodate future demand and to engage students for educational success.

Our system is out of sync with societal needs. And our mechanisms of public finance promote the pattern of ambition and institutional misinvestment. More money to students for financial aid encourages states to reduce their investment in higher education, which has been declining on a per-student basis for decades, and encourages institutions to further increase their tuition.

We need targeted reinvestment in institutions and in academic and professional positions, giving priority to those colleges that serve first-generation and diverse students, displaced workers, returning veterans, and older students. Our policies should support institutional movement more toward social responsibilities than organizational ambition.

Gary Rhoades is a professor of higher education at the University of Arizona and director of its Center for the Study of Higher Education. He is also general secretary of the American Association of University Professors.

The Chronicle of Higher Education 1255 Twenty-Third St, N.W. Washin