
What Higher Education May Look Like in the Future

— ♦ —

GEORGE C. LEEF AND JENNA A. ROBINSON

Can anyone remember what the telecommunications industry was like forty years ago?

That might be difficult, and for younger readers perhaps impossible, because there has been so much change. In brief, however, the industry used to be a staid, regulated quasi-monopoly where there was little innovation. Everyone used landline telephones and was quite content with arrangements. Content or not, there wasn't any choice.

Then came deregulation of the telephone industry in the 1980s, followed by immense technological innovation in cell phones and computers to communicate. Today, it's rare to use a landline phone. The banks of pay phones that used to consume wall space in public places are gone, and nobody worries about the cost of long-distance calls any longer. The telecommunications industry has been utterly transformed and now serves consumers far better and at lower cost.

We believe that something similar will occur in higher education. Catalyzed by the Higher Education Act of 1965, the industry grew spectacularly for decades, with enrollments peaking about ten years ago. Whereas college education had formerly appealed to a small segment of the population, by the 1980s it was becoming

George C. Leef is the director of editorial content at the James G. Martin Center for Academic Renewal. **Jenna A. Robinson** is president of the James G. Martin Center for Academic Renewal.

The Independent Review, v. 27, n. 3, Winter 2022/23, ISSN 1086-1653, Copyright © 2022, pp. 351-357.

“common knowledge” in America that if you wanted to get a good job, you needed a college degree. The government encouraged college enrollment with grants and easy loans, while politicians and higher education leaders assured students that borrowing for college was a great investment. Students flocked in, even those with weak academic records and minimal interest in scholarly studies. The influx of such students posed a problem for college leaders—how to keep them enrolled? They didn’t like or expect hard work and under the traditional standards would likely have quickly failed out.

Most institutions decided to keep the student money flowing, and that meant letting their standards decline. The curriculum was therefore altered to eliminate demanding required courses and offer many new ones that were more fun and trendier. Grade inflation was allowed, or even encouraged. More and more students graduated with their credentials, but many had very weak skills. As Richard Arum and Josipa Roksa argued in *Academically Adrift* (2010), a substantial percentage of college students in the twenty-first century were graduating from college with little or no advancement in knowledge from when they were in high school. Furthermore, many schools have allowed themselves to be deeply politicized, with faculty who are more interested in proselytizing for their favorite causes than teaching bodies of knowledge. College study today bears little resemblance to college study in the past.

At the same time the educational benefits of college were falling, the cost of attendance was rising—rapidly. Consequently, the value proposition of college education had changed dramatically from what it was in the 1960s. A bachelor’s degree no longer betokened any special capabilities to prospective employers, but acquiring one cost students and their families dearly.

In some ways, the old-fashioned bachelor’s degree has become like the landline phone. Changes in consumer demand combined with new educational offerings are apt to disrupt the higher education marketplace. Some institutions will survive without much change (especially those schools offering essential professional training), but many others will have to either dramatically change to attract students/customers or else go out of business. We foresee a whirlwind of Schumpeterian creative destruction in higher education in the next thirty years.

Legacy Higher Education

Some schools, however, are insulated against the whirlwind, particularly elite institutions as well as those offering professional studies that are essential for anyone who wants to work in the field. That includes law schools, medical schools, schools of engineering and architecture, and some other programs where an educational credential is a prerequisite to licensure. This insulation is unfortunate because return on investment has decreased considerably at law and medical schools.

Law School

In most states, no one can become a licensed attorney without having first graduated from a law school accredited by the American Bar Association. (Six states permit an individual to take the bar exam without having done so.) One of the authors (Leef 1997) has long argued that law school is a needless barrier to entry into the market for legal services. Future lawyers would benefit greatly from competition in legal education. Not only is the ABA-mandated three years of study unnecessarily long, but in recent years the law school curriculum has been infused with politicized elements that do nothing to help prepare one for legal practice. Suffolk Law School's Charles Rounds (2010) seconds this argument. More recently the American Bar Association has decided to include mandatory "diversity training" in its law school accreditation standards, and the intellectual climate at many law schools has become decidedly intolerant of criticism of "progressive" beliefs.

If competition were allowed in legal education, law school programs would undoubtedly have to become shorter in duration, more practical, and less ideological. Unfortunately, the law protects the ABA's control, and the ABA is not likely to relinquish one iota of it.

Medical School

As with the legal profession, the medical profession requires that anyone seeking to become a licensed practitioner must pass the U.S. Medical Licensing Exam, and only those who are currently attending or have graduated from an accredited medical school are eligible for the exam. And as with law school, critics have argued that medical education is more time consuming than it needs to be to turn out competent doctors (e.g., Orr and Jain 2020). It is also the case that progressive ideology has been seeping into medical schools. The University of Pittsburgh Medical Center, for example, punished cardiology professor Norman Wang for having criticized the school's "diversity" policy in an academic article published in March 2020 (Center for Individual Rights 2020).

Medical schools have also suffered the invasion of "woke" ideology. Former University of Pennsylvania medical school dean Stanley Goldfarb (2022) argues that rather than being educated, medical students are being "indoctrinated."

Unfortunately, medical schools are also legally insulated against competition and innovation that would lower costs as well as limit politicization.

Elite Institutions

Some colleges and universities, owing to their enormous endowments and perceived elite status, will probably not be much affected by the coming whirlwind of change.

We are speaking of schools like Harvard, Princeton, Yale, Stanford, Duke, and the so-called public Ivies. Degrees from them will probably remain so prized that students will continue flocking to them in large numbers (and paying great amounts in tuition) not because the education offered is so excellent (for the most part, it isn't), but because their degrees elicit admiration.

These institutions, bound to legacy programs, will be slow to change and adapt. They will continue to stick with their current business model: including reliance on credit hours, government-originated student loans, regional accreditation, bloated internal bureaucracies, and considerable mission creep.

Nevertheless, even the elite institutions may find that they are no longer attracting as many of the top students as formerly. As more and more top employers stop demanding college credentials, sharp students will realize that they don't need to spend four years and a great amount of money earning a degree from one of them. Harvard et al. might not feel the pressure to change for decades, but even they won't be immune forever.

University 2.0

Some education providers have pushed the boundaries of the current education landscape by replicating some legacy university experiences while rejecting others.

The most obvious example of this phenomenon is the all-online university. Although the courses are more flexible than at brick-and-mortar institutions, they are similar in most other ways. Online university is an important innovation, but it's not a wild departure from the status quo.

There are also services that provide university courses without certification. Via new online clearinghouses, students can take courses from universities across the country including elite Ivy League institutions. EdX, one major provider of online courses, now has 160 member universities and forty million users. (See EdX.org.) Students can choose between "verified" and audit track courses. And although EdX does offer degrees and certifications, most users are not enrolled in formal programs. Similar providers are Coursera and Open Culture.

A more innovative approach comes from the growing number of independent colleges and universities in the United States that operate without government money. They accept neither government grants nor federal student loans. In other respects, they look like traditional universities. They grade assignments, grant degrees, charge tuition, and count credit hours. Although Hillsdale College and Grove City College have existed using this model for decades, many of these independent universities are new institutions. It's likely that we'll see more in the future (Schalin 2022).

Each of these variations on legacy higher education offers distinct benefits and flexibility that existing institutions have failed to deliver.

A Future of Unbundled Learning

The most important changes and innovations will come from the unbundling of learning. As more students break away from legacy institutions, we predict a flowering of new paths for both learning and alternative credentials. Emerging education providers will be able to specialize, thereby “unbundling” disparate types of education. Innovators, unhampered by legacy models and the burdens of accreditation, will go in two distinct directions, ending the uncomfortable alliance between career education and learning for its own sake.

These independent learning providers may be nonprofit or for-profit. They may be large and finely structured or small and relatively informal. Without the rigid rules of accreditation and government mandates, new providers will vary widely to address disparate market demands.

Career Education

New education providers oriented toward career preparation are already emerging. Going forward, there will likely be more entrants in this field, focusing on rapid skills acquisition with a quick return on investment for graduates. Because they are new, they will focus on skills that are easy to measure.

Their business models will be significantly different from legacy degree programs. One important divergence will be the lack of accreditation. Forgoing accreditation will allow new providers to save considerable money and free them from onerous federal regulations. Thus, they will be more nimble and responsive to changes in the marketplace, offering programs that vary in length, delivery, and course requirements. Mastery will supplant the credit hour as the primary determinant of course completion (Levine and Van Pelt 2021, 145).

Lack of accreditation also means that federal student loans will be unavailable as a source of revenue, which will change the incentives of both providers and students. Providers will be forced to focus on student satisfaction and employment results—providers that cannot create value won’t attract students. And without anyone to underwrite excess expenditures, they will also have to carefully constrain costs as well as prices. Income share agreements, already in use by some education providers, can also help align incentives by giving providers a direct financial stake in student achievement (Farrington 2021).

Another key difference between established universities and new entrants will be the emphasis on relationships with employers. Some universities have already attempted or perfected this approach, establishing long-term relationships between employers and university career offices so that future graduates can get a head start in their job searches. But for the most part, students pursue their own postgraduation paths. For new providers, however, relationships with employers will be essential.

Without the imprimatur of an established university to vouchsafe student employability, new entrants will have to work harder to place their graduates.

One example of an independent provider of career education is the Bloom Institute of Technology, formerly the Lambda School. The Bloom Institute offers courses in just five fields—all related to web development. Students are able to choose between live and pre-recorded lessons and can learn at their own pace if desired. Students can also choose between two payment options: upfront tuition and “outcomes based loans.”

Learning for Its Own Sake

Many opportunities already exist for individuals who simply want to learn a new skill or engage in a body of knowledge for its intrinsic value without the need for a credential or employer recognition. In fact, this type of education operates like any other consumer good for sale in a free market. Consumer demand alone drives which products are offered, unrelated to workforce needs or credentials. As such, the marketplace for these services is characterized by variation rather than standardization.

Some learning services are arranged as fully interactive online courses; others are lectures, reading groups, single-subject tutorials, or even online games, apps, or podcasts. Although books and libraries have long existed to fill this function, providers of additional services can add value by helping learners find direction, organization, and motivation.

For the most part, these courses offer little formal feedback and no grades. Users decide for themselves whether they are happy with what they have learned. The courses are also extremely flexible. Unlike university education, it is never necessary to commit to a program of courses. There are no applications or admissions standards. Learners can mix and match courses from the same provider or across different providers. Most learning is self-paced. Price points vary widely, from free podcasts and tutorials, to inexpensive monthly subscriptions, up to one-time fees that mirror the cost of an individual college course.

One well-established area of this market is foreign language learning. Many innovators in this field offer alternatives to the traditional classroom experience. For example, Rosetta Stone began offering immersion-style language courses via CD-ROM in the early 1990s. Today, its technology is available online and via smartphone app. In the late 1980s, the BBC created a children’s language course (“Muzzy”) delivered via VHS tapes and books.

Today, the market for foreign language learning is crowded. Newcomers Duolingo and Babbel (and many others) compete with Rosetta Stone for online customers. Duolingo alone has “over 500 million total users and around 40 million monthly active users, representing every country in the world” (Blanco 2020). New language learning apps are sophisticated and fun to use. Prices are competitive. Users

can learn at their own pace, repeat lessons, and pair apps with other language learning tools (such as podcasts, dictionaries, and books). Choices are virtually unlimited.

Other areas of study are slowly catching up to foreign language learning, with options increasingly available.

Conclusion

American higher education rapidly evolved after the passage of the Higher Education Act, but overwhelmingly in the direction of degrees and certificates offered by accredited institutions for which federal student aid was readily available. That direction might have made sense in the 1970s and 1980s, but it is clear today that the old models of postsecondary education are not suitable for most students. They cost too much (in money and time) while delivering too little of the knowledge that students need for success.

We believe that the country is about to turn sharply away from the postsecondary education model that has dominated since 1965 and experience a burst of educational innovation that will force most institutions either to adapt to a far more consumer-driven marketplace or wither away.

References

- Arum, Richard, and Josipa Roksa. 2010. *Academically Adrift: Limited Learning on College Campuses*. Chicago: University of Chicago Press.
- Blanco, Cindy. 2020. 2020 Duolingo Language Report: Global Overview.
- Center for Individual Rights. 2020. Norman Wang v. University of Pittsburgh et al.
- Farrington, Robert. 2021. Income Share Agreements Are Growing in Popularity to Pay for School. *Forbes*, June 28.
- Goldfarb, Stanley. 2022. The Hostile Takeover of Medicine. *Wall Street Journal*. May 5.
- Leef, George C. 1997. Lawyer Fees Too High? The Case for Repealing Unauthorized Practice of Law Statutes. *Regulation*, Winter.
- Levine, Arthur, and Scott Van Pelt. 2021. *The Great Upheaval: Higher Education's Past, Present, and Uncertain Future*. Baltimore: Johns Hopkins University Press.
- Orr, Robert, and Anuska Jain. 2020. The Case for Shortening Medical Education. Niskanen Center.
- Rounds, Charles, Jr. 2010. Bad Sociology, Not Law. James G. Martin Center for Academic Renewal.
- Schalin, Jay. 2022. Breaking Away from Leviathan: Colleges Can Survive without Federal Funding. James G. Martin Center for Academic Renewal, August 10.

SUBSCRIBE NOW AND RECEIVE A FREE BOOK!



"The Independent Review does not accept pronouncements of government officials nor the conventional wisdom at face value."

—**JOHN R. MACARTHUR**, Publisher, *Harper's*

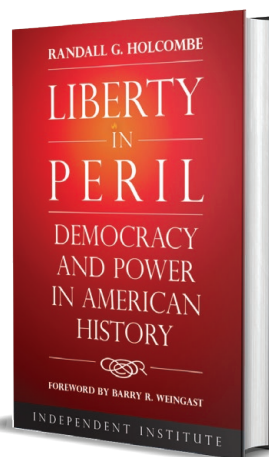
"The Independent Review is excellent."

—**GARY BECKER**, Nobel Laureate in Economic Sciences

Subscribe to [*The Independent Review*](#) and receive a free book of your choice such as *Liberty in Peril: Democracy and Power in American History*, by Randall G. Holcombe.

Thought-provoking and educational, [*The Independent Review*](#) is blazing the way toward informed debate. This quarterly journal offers leading-edge insights on today's most critical issues in economics, healthcare, education, the environment, energy, defense, law, history, political science, philosophy, and sociology.

Student? Educator? Journalist? Business or civic leader? Engaged citizen? This journal is for YOU!



Order today for more **FREE** book options

SUBSCRIBE

The Independent Review is now available digitally on mobile devices and tablets via the Apple/Android App Stores and Magzter. Subscriptions and single issues start at \$2.99. [Learn More.](#)

