

Mettler, Suzanne. *Degrees of Inequality: How the Politics of Higher Education Sabotaged the American Dream*. New York: Basic Books, 2014. 261 pp. \$29.99 cloth (ISBN 978-0-465-04496-2).

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Suzanne Mettler is the Clinton Rossiter Professor of American Institutions at Cornell University and a fellow at the Century Foundation, a progressive think tank headquartered in New York City whose mission is to promote prosperity through a mix of effective government, democracy, and free markets.

Throughout this book and recent articles published in both the *New York Times* and *The Chronicle of Higher Education*, Mettler makes a convincing argument that contrary to conventional wisdom college education does not make better lives for people with low income but actually reinforces the economic disparities among those who attend college.¹ Unlike some critics of higher education in the United States, her arguments for this are not “liberal” politics, but the dysfunction of the federal government and the U. S. political system in general.²

Mettler makes the right analysis of how the United States as a country, after passing of the G. I. Bill (1944) through the 1960s after the Sputnik shock, had been generously supporting access to higher education by creating and/or strengthening more colleges and universities and a financial system to help more financially disadvantaged students. That support came from both the federal and the state governments. As she shows in Figure 1.1, on page twenty-two of her book, the United States has lost its position of leadership to many other countries (mostly European but South Korea as well) in the percentage of people with a bachelor’s degree. In fact, it is not just that other countries are doing better but that people in the United States within the low-income bracket are not doing much better today than they did decades ago. She points out the fact that despite

1. Suzanne Mettler, “College, the Great Unleveler,” *New York Times*, March 2, 2014; “Equalizers No More,” *The Chronicle of Higher Education*, March 7, 2014.

2. Dinesh D’Souza, *Illiberal Education. The Politics of Race and Sex on Campus* (New York: Free Press, 1991).

increasing enrollment in institutions of higher education, there is a higher inequality in the proportion of people who graduate based on their income spectrum. And this is something that every institution (particularly public ones) should be concerned about not only because most of their students are in the low-income spectrum but also because more and more states are linking financial support to graduation rates.

Based on the above and many other statistics that she skillfully presents, Mettler concludes that higher education has become a “caste system” hindering the American ideal of equality through education. Not only that, but she shows that the lower your income the more chances are that you will be leaving college (with or without a diploma) with higher debt, which only reinforces the caste system that she describes.

Her analyses are far from simplistic since she takes into consideration many factors that influence what a college education really costs. For example, she makes sure that the reader understands that regardless of how much you pay for college, you are always receiving some sort of subsidy through either the federal government, the state government, or through private funds. She shows, however, that such support works better for people with high income than it does for those with lower ones. For example, for the 20 percent at the top of the income spectrum the cost of attending a public college has increased from 6 percent to 9 percent of the family income from 1971 to 2011. Yet, for the 20 percent at the bottom the cost of public education has gone from 42 percent to 114 percent of family income during the same period. No wonder so many students in public universities drop out not necessarily because of academic issues but because they need to go back to the job market to survive, despite the fact that the tuition for in-state residents is heavily subsidized. Worse, those who finally graduate, after six or more years, do so with enormous financial burdens of debt.

Despite the complexity of these problems, Mettler is right in pointing fingers at the culprits. She shows how for-profit schools (of which University of Phoenix is the most recognizable name but certainly not the only one) that serve mostly low-income students depend on those students taking more loans than anybody: \$33,000 of median debt per student versus \$22,000 at public institutions and \$18,000 at private, non-profit ones. This, together with differential graduation rates, are probably the strongest data supporting her contention that higher education in this country, more than an equalizer, emphasizes economic inequalities.

Of course there are those who would blame the recent financial crisis as the reason why student support has decreased in this country, but Mettler shows convincingly that the picture is much more complex than that. For example, Pell grants designed to help low-income students have gone from covering 80 percent of college costs in the 1970s to just 31 percent at the present time. That is the result of their benefits being outpaced by college costs. She correctly points out that in the case of public universities, they have received less and less funding from the states that have prompted them to increase tuition and fees. The end result of this is that public universities have adopted more and more the business model of private ones (where tuition revenues is the main source of income) leading them to become more and more privatized in reality. Although she says that states have been facing more financial pressures to cover other areas such as the criminal justice system (mostly prisons) and health care, she correctly highlights the tax populism which most politicians (not only from the right but also from the left) have used for electoral (and/or ideological) reasons. She does mention the antitax climate as a reason for that and presents statistics showing that tax hikes do help fund higher education.

Despite the above, one hears more and more politicians (particularly at the state legislature level) demanding that public institutions of higher education become more “accessible” from a financial viewpoint. The recent proposal by the Obama administration to rank colleges and universities based mostly on cost is just another face of the same rhetoric.

Yet for Mettler, the bottom line is that the loosening of regulations has allowed for-profit colleges to be, in fact, subsidized by and obtain high profits through federal dollars. The very fact that these for-profits that enroll about 10 percent of higher education students use about 25 percent of federal student aid is the best proof of that. Mettler recognizes that for-profit institutions have been extremely successful through campaign contributions and by lobbying efforts, allowing them to profit from federal policies. The introduction of her book shows how in the highly polarized U. S. Congress of today, somehow these for-profit enterprises are able to obtain bipartisan support for measures that will help them to be even more profitable. This is not new with the first cases taking place as far back as the 1940s when for-profits appeared to take advantage of the first G. I. Bill. Needless to say that despite the support from some liberal quarters in Congress, these initiatives come from the right, which promotes a “private” solution to a public problem . . . at the expense of the tax payers.

Although the initial reason for administrators in academia to read this book would be to get some insights on how to tackle issues of financing educations, after reading it a clear and sad conclusion comes across: the solutions to these problems go well beyond what most colleges and universities can do. Yet, the book gives us pause when thinking about a merit-based financial aid versus a need-based one. Certainly one of the factors by which institutions of higher education are providing financial aid to good performing students regardless of their ability to pay for college comes also from external factors such as the *U. S. News & World Report* rankings. They know that the better-prepared students are most likely to graduate on time which, in turn, improves their ranking nationally translating into better prestige to attract more and better students in a highly competitive race for enrollment and graduation rates.

Are there solutions to these problems? Mettler suggests (a) the elimination of ineffective student aid so that money can be used elsewhere, (b) scaling back of tuition tax breaks that favor families with income above the \$100,000 level, (c) make institutions with a poor record in loan repayment rates more accountable (that would certainly impact the for-profit sector), (d) strengthening community colleges so they are found more attractive (and certainly much more affordable) than for-profit institutions, (e) better partnership among the federal government, state governments, and private not-for-profits to ensure, among other things, that states do their part while rewarding private not-for-profit colleges that enroll and graduate a high percentage of low-income students, and (f) a change in the way politicians operate when it comes to higher education. Needless to say the latter one is, at the present time, more wishful thinking than anything else. Maybe people in college aid and their families need to be more involved in these issues so their voice could be heard.

Curiously my only criticism of the book is about the information about it in its jacket: the contention that “the nation’s public universities have shifted the burden of rising costs onto students” is not only simplistic but also misleading as to what this excellent book is all about. After all, the story is much more complicated than that. The real funding issue with public universities is the diminishing (sometimes in a dramatic fashion) support from state governments (both legislatures and executive branch) together with an increasing regulatory system at both the state and federal levels that pushed them to increase the staff overhead. Yes, there has been some mismanagement in some cases from the part of some institutions of higher education leadership, but that is only tangential to the bigger issues described in Mettler’s book.