

On My Agenda

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Let's Talk More About College Costs

Over the past few months, thousands of students have graduated from college, most owing thousands of dollars in loans. In fact, the average student graduating with a four-year degree is carrying about \$20,000 in debt for his or her education.

The implications of debt for college graduates are serious. For current loans from the federal government, the interest rate on this debt is 6.8 percent, meaning that the graduates will work for many years to eliminate their debt. Loans from private sources typically carry an even higher interest rate. Knowing their level of indebtedness, students are understandably—but unfortunately—more inclined to seek jobs that promise high salaries than jobs that might promise greater personal fulfillment, such as positions in education, social service, government, or their own businesses.

If asked, most students can readily explain the *value* of their education, but they—and their parents—are much less likely to understand its *costs*. The same can be said of many board members. A recent survey conducted by AGB in partnership with the National Association of College and University Business Officers revealed that while the majority of boards receive data related to the costs of their institutions, this information typically is not shared in a way to allow benchmarking, comparisons over time, or forecasts of consequences of current trends (see opposite page).

This is not to say that board members and institutions are not concerned about college costs. In fact, this same survey found that institutions are actively seeking and implementing strategies to control institutional expenses. (To download a free copy of a report on this survey and to see its detailed findings, visit www.agb.org/cost). However, more can be done to engage board members in strategic discussions of college costs and how these relate to educational value, program delivery consistent with institutional mission, and the future capacity of the institution.

Much of today's national dialogue concerning higher education relates to its finances—how the enterprise is funded, how it spends its resources, how those who need higher education can afford it. The language surrounding the “price” and “cost” of college is murky, and the economic issues are challenging, even to insiders. At such a time, all of us in higher education need greater clarity on college costs and the related issues of access and quality.

Our nation needs greater numbers of better educated citizens to contribute to our economy and civic life. Understanding the costs related to providing that education is the first step toward increasing access to the high-quality education that graduates will value.

Fall Workshop for Independent Institutions Focuses on Results-Driven Committees

An AGB workshop planned for November 12-13 will bring trustees and executives of independent colleges and universities to Arlington, Va., to learn ways to maximize board effectiveness through “results-driven committees.” The workshop will devote sessions to such committees as academic affairs, development, finance, and trusteeship.

In addition to the committee-focused sessions, plenary speakers will include **Janice M. Abraham**, president of United Educators, who will discuss enterprise risk management, and Commonfund President **Verne O. Sedlacek**, who will address endowment spending practices and policies.

Preconference sessions will air such topics as presidential contracts, compensation, and assessment; the important responsibilities of the audit committee; and alternative investment strategies.

To learn more about the workshop, visit www.agb.org.

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