

# What's Really New about the Neoliberal University? The Business of American Education Has Always Been Business

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**R**emonstrations against the “neoliberal university” intensified during the pandemic, particularly as colleges and universities struggled to reopen. Anger at “administrative bloat,” declining government support, corporate influence, declining job quality, and soaring tuition was easy to find in the news.<sup>1</sup> That coverage generally reflected the assumption that the neoliberal university and the policies supporting it were but a few decades old. Many have bemoaned more adjunct (rather than tenure-track) positions, constant cuts, escalating student debts, business donations, and elite schools’ hefty endowments, which have made public and private institutions seem more businesslike than their nonprofit statuses and mission statements suggest. Such critics have often glorified the US academy’s past, particularly its rapid mid-twentieth-century expansion. Amid Great Recession cost-cutting, famed British historian Tony Judt declared, “The best thing about America is its universities. Not Harvard, Yale”—rather, because “nowhere else in the world . . . can boast such *public* universities,” which in 1975 seemed to miraculously appear as he and his wife drove “for miles across a god-forsaken Midwest scrubscape [*sic*].” Political scientist Suzanne Mettler was one of many who have insisted in the new millennium that “something happened beginning in the 1980s,” a decade now synonymous with conservatives’ rise to power and the ascendancy of neoliberalism. That term has only recently found its way outside academic circles but has remained perpetually ill defined. Angus Burgin endeavored to show its complicated intellectual origins, and David Harvey attempted to offer a short history of “a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property

1. See, for example, Hansberger and Kizuk, “Neoliberal University Is Failing”; Wolfson and Taylor, “Beyond the Neoliberal University.”

rights, free markets, and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices.”<sup>2</sup>

That working definition does not begin to explain the intertwined disasters of the many colleges facing bankruptcy and the millions of Americans in debt. The business of American education has always been business and a part of how the Labor Question has been and continues to be fought out far from bargaining tables and picket lines. Business demands, labor market calculations, and job applicants' needs have shaped postsecondary schooling since the colonial era. The pandemic only hastened and drew attention to trends that captured colleges and universities' historic reliance on tuition and business support that, despite Judt's rhapsodic assumptions, federal legislation never challenged. The multifaceted American academy has instead continually reflected and reinforced the persistent economic insecurity, limited support, and inadequate funding that has defined the public-private welfare state that overwhelmingly harmed immigrants and citizens of color, particularly women, long before Ronald Reagan's 1980 presidential victory.<sup>3</sup>

### **Who Built and Funded the US Academy?**

Fiscal uncertainty has been a long-standing characteristic of an incredibly varied US academy, which has never received consistent, robust “financial aid.” Before World War II, that term described direct funding from legislators or donors to underwrite the costs of running postsecondary schools, many of which historians have noted bear little resemblance to what present-day Americans recognize as a college or university. Experts have emphasized that the US once seemed unique in its market-based approach for higher education funding that required campuses to compete for tuition-paying students, wealthy donors, and state allocations. US postsecondary institutions also seemed to “stand alone in the world in terms of their abundant numbers, the variety of their forms, and the extent to which they derive their sustenance from numerous sources.” Some researchers admitted that it “might seem strange to call the motley collection of more than 4,000 colleges and universities in the United States a system at all,” particularly looking at the quixotic, haphazard experimentation with and expansion of divinity schools, colonial-chartered campuses, state universities, denominational colleges, normal schools, and junior colleges that Roger Geiger argued unfolded over ten distinct generations. But postsecondary institutions have historically relied on numerous revenue sources, which has belied the sharp distinctions increasingly made since the Progressive Era between proprietary schools char-

2. Judt, “America, My New-Found-Land”; Mettler, *Degrees of Inequality*, quotation on 7; Harvey, *Brief History of Neoliberalism*, quotation on 2; Burgin, *Great Persuasion*; Fish, “Neoliberalism and Higher Education”; Shermer, “Ongoing Crisis in American Colleges”; Shermer, “Student Debt Crisis and Its Deniers”; Shermer, “Neo-liberalism.”

3. For scholarship highlighting this aspect of American welfare state, see Klein, *For All These Rights*; Katznelson, *When Affirmative Action Was White*; Kessler-Harris, *In Pursuit of Equity*; Lichtenstein, *State of the Union*; Shermer, “Financing Security and Opportunity”; and Shermer, *Indentured Students*.

tered as for-profits and those that started or became public and private institutions established as nonprofits, including those with sizable endowments.<sup>4</sup>

That wealth has helped researchers uncover how the Ivory Tower has always been intertwined with the country's economy, labor needs, and politics. Historian Craig Wilder has shown that slavery provided the labor and money for many of the country's earliest universities, including the North's Ivy League institutions. Historians and investigative journalists have likewise offered a new perspective on the famed 1862 Morrill Act. Vermont representative Justin Morrill proudly dedicated that legislation to a still-agrarian nation's "sons of toil," whom this Republican considered in need of both a liberal arts education and practical training in agriculture, military science, and engineering (then called the mechanical arts). The government paid far less than the reported \$400,000 for the 11 million acres of western land sold and transformed by agribusinesses, railroad interests, and other entrepreneurs. A sizable portion of those eighty thousand parcels were either violently seized or taken through unratified treaties in a "massive transfer of wealth" that "turn[ed] land expropriated from tribal nationals into seed money for higher education."<sup>5</sup>

Financial uncertainty still plagued land-grants. Campuses, not students, received support far less robust than most textbooks suggest. Nothing in the law dictated that legislators generously fund land-grants. Interest income did establish new colleges and reopen shuttered institutions (like the preparatory school that became the University of Minnesota), and even helped Michigan State survive its early years, when legislators assumed the agricultural college could sustain itself on the 667 acres and handful of buildings for which the legislature paid. Lawmakers sometimes transferred land-grant endowments to other schools. For example, both Brown's and Yale's grants were reassigned to state campuses in the 1890s when Americans increasingly made distinctions between private colleges and public universities that Judt celebrated amid Great Recession cuts.<sup>6</sup>

Political scientist Virginia Sapiro has shown that campus finances were as tumultuous as the economy throughout the nineteenth and early twentieth centuries. Most schools (whether now considered public, private, or elite) "spent significant parts of their institutional existence teetering on the brink of ruin, deeply vulnerable to having to close." Trustees, presidents, professors, students, and surrounding communities did "everything they can to keep them alive, even when their enrollment numbers are falling and they are in increasing debt." Administrators, for example, sought donations, spent endowment funds to cover debts and operating expenses, sold buildings, and switched religious commitments. Cash-strapped schools also tasked students

4. Labaree, "A System without a Plan," quotation on 1; Geiger, *Research and Relevant Knowledge*, quotation on vii; Geiger, "Ten Generations of American Higher Education"; Shermer, "Financing Security and Opportunity"; Shermer, *Indentured Students*, 15–32.

5. Wilder, *Ebony and Ivory*; Lee and Ahtone, "Land-Grab Universities"; Ahtone and Lee, "Ask Who Paid for America's Universities."

6. Lee and Ahtone, "Land-Grab Universities"; Kiernan, "Federal Aid to Higher Education," 49–97; Dressel, *College to University*, 17–96.

and faculty with basic maintenance even as salaries were commonly cut or unpaid. Some campuses temporarily closed. Short-term restoratives and hopefully long-term cure-alls hardly put colleges and universities (whether public, private, or for-profit) on sound economic footing. They proved vulnerable to economic downturns, wars, pandemics, population changes, and environmental disasters.<sup>7</sup>

Gilded Age and Progressive Era philanthropists generously provided the money needed to make at least some colleges and universities linchpins in the country's corporate reconstruction. Entrepreneurs had been eager to underwrite the kind of scientific instruction that would improve their operations since the early nineteenth century. College administrators, particularly those in the Ivy League, had been reluctant to accept gifts underwriting courses at odds with their classical or religious curricula. Tycoons like John D. Rockefeller and Andrew Carnegie underwrote programs of study that interested them, started new schools (e.g., Johns Hopkins and Stanford), and rescued cash-strapped campuses (including the University of Chicago and the small college that became Duke University). Charitable foundations prioritized aiding schools willing to improve their finances, standardize their course offerings, embrace (what business-endowed foundations considered) practical programs of study, and, in general, operate in what philanthropists considered a more professional, businesslike manner. Donors generally spent far more on wealthy northeastern campuses, which helped draw the distinctions donors, lawmakers, and citizens had started to make between public, private, and for-profit institutions.<sup>8</sup>

Carnegie stood out for his concerns about poorly paid faculty, whose research and teaching he considered vital. Professors had already begun to express increasing concern about their academic freedom and eagerness for tenure, then more common at German research universities. But Carnegie established the Carnegie Teachers Pension Fund in 1905 in order to provide college and university instructors with free pensions, a benefit that reflected the insurance products then becoming more common to mitigate risk. That fund eventually spawned the Carnegie Foundation for the Advancement of Teaching and today's TIAA-CREF. But ten years after the fund's founding, the American Association of University Professors, which then included just 6 percent of faculty, issued a Declaration on Academic Freedom which demanded that professors, not administrators, determine who was hired, fired, or given tenure after ten years.<sup>9</sup>

Job security and sizable government support continued to be rare. Only a handful of legislatures spent the money to create outstanding public universities before World War I. Even University of California administrators relied on donors to fund Berkeley's rapid turn-of-the-century expansion. Congress did even less to aid

7. Sapiro, "Life Course of Higher Education Institutions," 5–9 (quotation on 5); Sapiro, "When the End Comes"; Shermer, *Indentured Students*, 15–32.

8. Curti and Nash, *Philanthropy*, 212–37; Shermer, *Indentured Students*, 15–32.

9. Curti and Nash, *Philanthropy*, 212–37; Story, "New Deal and Higher Education"; Levy, *Freaks of Fortune*.

the academy. The 1887 Hatch Act only supported experiment stations and programs that bolstered agricultural production and manufacturing, whereas the 1890 second Morrill Act earmarked money for separate land-grants for African Americans. By 1910, funds tied to those laws accounted for more than a third of the income of most land-grant colleges, which reflected how little most legislatures spent.<sup>10</sup>

More citizens and immigrants clamored to enroll but found far more seats in proprietary schools. Historian Christine Groeger has shown that these forebears of today's for-profits were responsible for much of the academy's growth in the Gilded Age, Progressive Era, and Roaring Twenties, when scholar David Levine showed that established colleges and universities (many of them remote) cultivated a lily-white, masculine, aspirational culture. Only a handful of the country's one thousand post-secondary schools taught more than two thousand undergraduates and graduates in 1910, when the total number of students was just three hundred thousand. Relatively inexpensive for-profits in cities across the country first catered to white middle-class Americans, who wanted business or commercial training but did not have the social connections to matriculate in well-established, often remote, colleges. Jews, Catholics, immigrants, African Americans, and other citizens of color soon flocked to evening classes teaching the kind of skills needed for better-paying, more-respectable, white-collar jobs. Women especially sought credentials for teaching, typing, and bookkeeping. Some enrollees complained about the expense and the quality of these for-profits, but many alumni offered glowing praise for alma maters that helped move them from the factory floor to the front office.<sup>11</sup>

Such success irked powerful academics. Harvard University president Charles Eliot called for-profits "sham institutions." Groeger emphasized that some for-profits were undoubtedly "money-making rackets," but Eliot and other elites denouncing these schools seemed far more disdainful of the men and women whom these institutions dared train. Competition and prejudice spurred Eliot and other Ivy League administrators to push for an expanded set of public high schools that would offer business training. Highbrow university leaders also started new schools for education, law, and business that provided the kind of premier academic credentials that would, in effect and practice, be unavailable to the many immigrants and citizens who had few options but proprietary programs. Such exclusivity kept top institutions overwhelmingly white and male but also ensured that, as college credentials became more important, those at the helm of the country's business and politics would remain so as well.<sup>12</sup>

Corporate needs and expectations continued to be important after World War I. Donations increased, business and federal funding for scientific research grew, and legislatures earmarked more in the 1920s. But all postsecondary schools, not just for-profits, relied heavily on tuition, which accounted for 22.5 percent of public insti-

10. Shermer, *Indentured Students*, 15–32.

11. Groeger, *Paths to Work*, 1–17, 236–359.

12. Groeger, *Paths to Work*, 264.

tutions' revenue and 54.2 percent of private campuses expenses. More citizens and immigrants risked the expense of enrolling to have the chance to enter the growing managerial and professional classes. Blue-collar strivers flocked to the junior colleges, teachers' colleges, urban universities, and proprietary schools growing in size and number. The majority of enrollees in nonprofit institutions remained white middle- and upper-class men. Elite private universities notoriously refused to substantially increase their student bodies' size to meet demand and instead used quotas to limit the number of Jews and Catholics on campuses that rarely welcomed African Americans.<sup>13</sup>

Business norms somewhat changed the tuition assistance available to students. Campuses have historically not charged the full cost of instruction. The nineteenth century's relatively low fees partly reflected that students' and parents' real financial sacrifice had been time, not money, before the steady growth in white-collar and professional work, which gradually began to require at least some postsecondary schooling. The term *financial aid* only evolved to include *student aid* after World War II and thereafter began to colloquially mean "tuition assistance." Colonial colleges imported a tradition from Europe of offering scholarships, discounts, jobs, and loans to the talented poor, particularly if they promised to dedicate themselves to something virtuous after graduation. Legislators generally contributed little to scholarship funds to which college staff also struggled to convince donors to contribute. Students more commonly found work on or near campus. Some colleges even started offices dedicated to finding a form of assistance described as self-help by the early twentieth century.<sup>14</sup>

Lending remained rare until the 1920s, a decade still synonymous with risky speculation and consumer credit's expansion. Campus loan officers continued the long-standing practice of charging interest after graduation, then struggling to recoup payment, and putting any received revenue back into loan funds. Clubs, business associations, churches, individuals, foundations, and campuses still experimented with student loans, financial products that bought degrees and course credits, which could not be repossessed. Only a few charities imposed stringent rules on the credit extended directly to students or the money given to schools to lend. By 1930, roughly \$8 to \$10 million was available for students. Half of the American student body (roughly 1.1 million) financed their studies by working part-time and taking out loans, usually ranging somewhere between \$25 and \$200. Lending had become so commonplace that *New York Times* reporter Dorothy Woolf celebrated the "changed attitude of borrowers and lenders. No longer can the loan be considered an act of charity," she enthused. "Today it is held an honorable and praiseworthy means of financing higher education."<sup>15</sup>

13. Levine, *American College*, 113–35; Geiger, *To Advance Knowledge*, 94–139; Veysey, *Emergence of the American University*, 263–341.

14. Shermer, *Indentured Students*, 15–32.

15. Shermer, *Indentured Students*; Woolf, "Loans to Students on Business Basis."

### Roosevelt-Era Labor Market and Collegiate Experiments

College and university finances became even more uncertain during the Great Depression. Tuition rates had to be raised as endowments, private donations, and state allocations shrank. Nationwide, legislatures' share of public postsecondary school budgets dropped from 22.3 percent to 14.4 percent between 1930 and 1936. Between 1932 and 1934, attendance dropped by 8 percent because the record number of unemployed Americans had the time, not the money, to enroll. Tuition revenue subsequently fell by 61 percent nationwide. By 1936, twenty-two campuses had merged and thirty-one other institutions had closed (mostly private, two-year options). Administrators resorted to long-standing tactics to stay open. More than 10 percent of private colleges and universities accepted IOUs. Private and public institutions also bartered for admission. Reports surfaced of malnourished, homeless, and depressed students at public and private institutions. Investigators grimly concluded that many "would have been no better off anywhere else. At the colleges they could suffer undernourishment in attractive surroundings; and in the classrooms and college libraries they could at least find warmth."<sup>16</sup>

Labor market concerns shaped the federal assistance that New Dealers reluctantly offered campuses and students. Postsecondary schooling never topped the Roosevelt administration's agenda for relief, recovery, and reform. The president and his aides recognized that the student body had historically been a small part of the population but also assumed, like many elite academics, that the majority of Americans were incapable of and uninterested in additional learning. Yet citizens proved themselves eager to take advantage of the opportunities offered through the Workers Education Program and Civilian Conservation Corps, which spurred New Dealers to interweave postsecondary instruction throughout their many experiments, including the landmark Tennessee Valley Authority, Works Progress Administration (WPA), and National Youth Administration (NYA). By 1938, Roosevelt and his aides had become far more interested in federally supporting all levels of schooling and tapped union leaders, CEOs, and farming experts to make recommendations on how to overhaul American education to empower the many young people who had proven themselves capable of becoming the well-educated workers and citizens the country needed.<sup>17</sup>

New Dealers never proposed a radical change to how colleges and universities had historically been funded or run, which reflected how Roosevelt and his aides generally pursued reforms to save capitalism and rebalance federalism. Education experiments maintained the sharp distinction increasingly made between public, private, and for-profit institutions and kept all nonprofit campuses dependent on a range of revenue sources, especially tuition. For example, the Roosevelt administration offered to *match* what campuses were willing to spend on construction, repair, and

16. Levine, *American College*, 185–209; Lindley and Lindley, *New Deal for Youth*, 156–60, quotation on 157; Shermer, *Indentured Students*, 15–32.

17. Shermer, *Indentured Students*, 47.

even expansion in order to create more jobs. Yet only the country's almost six hundred public teachers' colleges, land-grants, and universities were eligible to apply for assistance, even though the more numerous private institutions taught a larger share of the country's still-small student body and had historically benefited from local, state, and federal resources. New Dealers still lent \$29 million and outright gave \$83 million to build, renovate, and expand more than twelve hundred vital facilities, including dorms, classrooms, and libraries. That money, like so many New Deal programs, was unevenly spent and preserved the tradition of state and local governments as well as donors providing substantial campus financial aid.<sup>18</sup>

Top public institutions, like their private counterparts, still needed fee-paying students. A few leading academics, like University of Chicago president Robert Hutchins, pressed FDR to offer federal student loans, but New Dealers never considered extending credit for college degrees, which (unlike the houses financed through the federal mortgage program) could not be repossessed. They instead embraced an older form of tuition assistance, work-study, which fit with New Dealers' general assumption that "relief shall be in the form of wages for work done," as NYA director Aubrey Williams explained. White House insiders had many reasons for expanding a December 1933 University of Minnesota trial run into an option for every non-profit campus, whether public or private. Some feared that young people, the most likely to be unemployed, would be lured into the kind of socialist, communist, and fascist youth organizations then roiling European politics. Others, like Harry Hopkins, worried about a lost generation that might turn to crime. Federal Emergency Relief Administration staff focused on the unemployment numbers and labor market pressures that drove many New Deal experiments. NYA's work-study program intentionally discouraged young people from competing with their elders for jobs and left them ineligible for the much-maligned dole. Destitute sixteen- to twenty-five-year-olds could apply through participating secondary and postsecondary schools for part-time work that helped them afford to study for the degrees that would hopefully lead to future well-paying careers.<sup>19</sup>

Colleges were incentivized, not forced, to participate in a work-study program that circuitously rewarded them for admitting the impoverished. Campuses received enough support to pay a small monthly salary to a sliver of undergraduate and graduate students, who had to remain enrolled and pay tuition. NYA officials determined the maximum wage rate, set the number of recipients each campus could have, and insisted that work-studiers could not be used to replace staff, but campus personnel actually assigned tasks, decided hours, set wages (usually below federal maximums), oversaw student workers, and picked recipients. Awardees were supposed to be young people studying more than part time and unable to stay in school without the oppor-

18. Loss, *Between Citizens and the State*, 53–90; Story, "New Deal and Higher Education"; Shermer, *Indentured Students*, 33–75, appendix 1.

19. Salmond, *Southern Rebel*, 26–161, quotation on 32; Reiman, *New Deal and American Youth*, 55–73; Shermer, *Indentured Students*, 33–75.



tunity to work in order to further their studies. Complicated paperwork subsequently included educational and financial records to prove enrollees' inability to afford fees, books, and basic living expenses. Southern radical Aubrey Williams rightly worried that campuses would continue to discriminate against African American youth, whom the Depression hit the hardest. NYA's director never restricted eligibility to desegregated schools. He instead openly set up additional support for African American undergraduate and graduate students as well as the campuses that chose a "fair allocation" of minority enrollees for work-study. Unsurprisingly, most of that money went to what are now called Historically Black Colleges and Universities (HBCUs) in the South.<sup>20</sup>

Students across the country embraced work-study. Administrators generally received at least double the number of applicants than they were permitted to accept. Work-study wages rarely paid all of a student's expenses but still enabled recipients to stay in school. Many valued their work in campus offices, libraries, and laboratories but also excelled in classrooms. Eighty percent of participating institutions reported that work-studiers generally outperformed their peers. An Iowa State higher-up admitted in 1937, "A year ago I thought the sooner NYA was abandoned the better," but he had become "convinced . . . we must have as much federal assistance as possible." A Temple University administrator actually insisted that "government aid had a tendency to strengthen rather than weaken the moral fibre [*sic*]" of students, who could study and work "knowing they have an assured monthly income."<sup>21</sup>

Many academics, particularly those at elite schools, hardly shared that conviction. Much has been made about FDR's "Brain Trust," but as historian Ronald Story emphasized, the professoriate (particularly those at top institutions) tended to be mistrustful, disdainful, and outright hostile to New Deal liberalism. Many—including Harvard University president James Conant (a Republican) and University of Chicago president Robert Hutchins (a Democrat)—openly feared that federal assistance, whether direct through WPA or indirect via work-study, would come at the expense of academic freedom and institutional autonomy. Yet interwoven into academics' fears of government control was a broad hostility to federal power and an elitist assumption about who should be admitted. Many hidebound institutions eventually participated in the work-study program out of necessity, but their faculty and staff remained indignant. A Dickinson College higher-up insisted that "the possibility of control is present" in the work-study program, which a Dartmouth professor blamed for convincing poor students that colleges were "an easy mark." The whole experiment, he insisted, was indicative of "the general Rooseveltian philosophy that the world owes an individual something even though the particular individual does not make an effort himself to contribute his share."<sup>22</sup>

20. Federal Security Agency, *Final Report of the National Youth Administration*, 51–52, quotation on 51; Rawick, "New Deal and Youth," 190–205; Salmond, *Southern Rebel*, 121–27; Shermer, *Indentured Students*, 33–75.

21. Shermer, *Indentured Students*, 61.

22. Shermer, *Indentured Students*, 67; Story, "New Deal and Higher Education."

Hostile educators actually helped congressional conservatives undermine and eventually terminate work-study. Harding College's president invented a quickly discredited 1942 scandal about work-study that nevertheless stayed in the headlines amid congressional scrutiny of NYA's importance to the war effort and its director's radical politics and unvarnished opposition to Jim Crow. Work-study did not survive the summer of 1943 budget battles that abruptly defunded many carryover New Deal agencies, including NYA. Work-study's unceremonious end was disastrous for many campuses struggling to convince young people to enroll instead of enlisting or seeking war-production jobs, for military leaders who needed more nurses, doctors, and engineers, and for young people trying to finish their degrees. NYA still helped a total of 620,000 young people study (one out of every eight college students at work-study's peak). Most recipients had been white men whose families took home less than \$1,500 annually. The most impoverished had been African American work-studiers, whom Williams wished that he could have helped more.<sup>23</sup>

Work-study ended when congressional conservatives and leading academics had already begun their war on the now-lionized 1944 GI Bill of Rights, particularly the Servicemen's Readjustment Act's education entitlements. Memory of the widespread unemployment after World War I made the labor market important to the White House's plans to offer soldiers more than a bonus or mustering-out pay. As historian Keith Olson emphasized, the Roosevelt administration believed that "the economy and not the veteran needed adjusting." Many insiders hoped the Federal Security Agency's civilian bureaucracies would oversee unemployment, mortgage, farm, business, unemployment, and educational assistance so that those services might someday be extended to civilians. Such an "entering wedge" terrified congressional conservatives and Legionnaires. But the American Legion stood out for pushing for generous schooling benefits that many lawmakers considered unnecessary but that enraged top administrators. Conant insisted that only a few select GIs should receive temporary help. Hutchins infamously predicted that campuses would be "converted into educational hobo jungles." The small Veterans Administration (VA) ultimately ended up struggling to oversee a set of complex temporary benefits, including the educational entitlements for which nonprofit and for-profit schools were eligible. Unlike with work-study, campuses billed the VA directly for an enrolled GI's fees. The maximum reimbursement was intentionally set higher than what Harvard charged in order to encourage campuses to raise rates to cover the cost of instruction for what was predicted to be a small number of soldiers. GIs received VA subsistence checks that lawmakers had limited so that they did not live high on the hog while studying.<sup>24</sup>

As with the Wagner Act and other key pieces of New Deal legislation, ordinary people made the GI Bill into a revered program. Veterans and their spouses spoke out, organized, and lobbied against the overcrowded classrooms, unsanitary

23. Salmond, *Southern Rebel*, 154–57; Reiman, *New Deal and American Youth*, 158–81; Shermer, *Indentured Students*, 33–75.

24. Olson, "G.I. Bill and Higher Education"; Fryd, *GI Bill*, 36–99, 122–25; Altschuler and Blumin, *GI Bill*, 35–45, quotation on 44; Hutchins, "Threat to American Education."

accommodations, and perpetually delayed subsistence checks that forced many GIs to work, borrow, and even drop out. The number of soldiers applying shocked politicians, reporters, civilians, and college administrators, who soon discovered that veterans were (like work-studiers) exemplary students. University of Wisconsin president E. B. Fred considered returnees a “stabilizing influence on Wisconsin student life.” Even Conant admitted by the summer of 1946 that GIs had already proven “the most mature and promising students Harvard has ever had.”<sup>25</sup>

Researchers have recently highlighted that the long-celebrated GI Bill exacerbated inequities in the long run. Like the Housing, Wagner, and Social Security Acts, the GI Bill’s educational benefits were life changing for those who were eligible and able to take advantage of them. The law seemed to give equal education opportunities to the 11 million serving in the still-segregated armed forces. Only 2.2 million used education assistance. Rules initially excluded the units in which women served. Some gay and lesbian returnees lost their benefits if officials learned about their sexuality. Many eligible veterans found themselves unable to enroll. VA officials generally directed disabled soldiers to vocational training, and college admissions officers refused to admit applicants whom they assumed were unsuited to or physically unable to complete degree programs. Jewish, Catholic, and veterans of color daringly applied to elite and segregated institutions amid public uproar into newspaper investigations of a quota system that reporters saw as operating on “the principles of Hitler’s racist state.”<sup>26</sup>

Outrage did not open colleges’ and universities’ doors to those Americans who had historically been excluded. Many rarified campuses, including Harvard, generally admitted applicants whose profiles matched their existing student bodies. Eligible African American soldiers in particular struggled to use their benefits. Many African American GIs hailed from southern or border states with limited options for African American veterans, who struggled to find seats in oversubscribed, chronically underfunded HBCUs. Eligible women also found themselves, as reporters explained, “elbowed out by veterans and held down by quotas.” “Girls are having to meet a higher standard than the men,” federal officials admitted, before joking about “a curious philosophy that if there are more than 40 per cent of women on the campus the school won’t have a good football team.”<sup>27</sup>

That calculus reflected that college administrators still had to worry about staying solvent. Federal assistance for improving public institutions and work-study had not covered increasing costs during the Depression and World War II, when tuition continued to rise and campus finances remained uncertain. Historian Christopher Loss has highlighted that many campuses, beyond the few involved with the

25. Frydl, *GI Bill*, 303–51, quotation on 338; Olson, “G.I. Bill and Higher Education,” 600–6, quotations on 604, 605.

26. Mettler, *Soldiers to Citizens*; quotation from *New York Times*, “Bias Investigation in Colleges Urged.”

27. Mettler, *Soldiers to Citizens*, 136–62; quotation from *New York Times*, “2,338,226 Enrolled in Colleges of U.S.”

Manhattan Project, were a part of the vaunted Arsenal of Democracy. Training programs, correspondence courses, and other efforts to help soldiers study in fox-holes were targeted spending that dwindled before the GI Bill's passage and had not generated the revenue necessary to prepare campuses for an unexpected deluge of veterans.<sup>28</sup>

The credit faculty received for the Allied Powers' victory abroad helped make the case for continuing to improve faculty jobs as campuses scrambled to hire instructors to teach GIs. Campus labor practices continued to reflect changing business norms. National faculty organizations had pushed for job security and academic freedom in the 1920s and 1930s, when recent PhDs, particularly Catholics and Jews, found themselves relegated to poorly paid, temporary positions. Ronald Story credited Depression-era union activism for professors' increasing eagerness to join the American Association of University Professors (AAUP) and to unionize, even though some states refused to recognize those locals and the Wagner Act excluded public employees. Professors also demanded faculty grievance committees, which first took hold at elite research universities that smaller institutions often sought to emulate. That activism made the AAUP's 1940 statement on tenure far more impactful than previous demands had been. Higher education groups and postsecondary institutions across the country endorsed its insistence on a seven- to ten-year probationary period, faculty involvement in awarding tenure, and reliance on due process for dismissal. Those standards nevertheless recognized that this unprecedented job security was contingent on a campus's finances.<sup>29</sup>

Solvency remained tied to tuition. Lawmakers had not designed the GI Bill to cover the full cost of educating even the small number of soldiers predicted to apply. They had instead incentivized all institutions to raise rates. Neither fee increases nor legislators covered the full cost of instructing GIs. Only during this temporary program's rollout did federal spending ever eclipse combined state and local support. Yet a deeply divided Congress was hardly generous. Lawmakers even presumed that the military surplus used for classrooms and dorms would be given back.<sup>30</sup>

Giving GIs a temporary right to tuition assistance had dire long-term consequences. Fees did not drop. Those higher rates especially harmed working-class non-combatants. Work-study's wartime demise ended the only real option for tuition assistance outside of what individual campuses and a few foundations and states offered. Tuition hikes also angered reporters, VA officials, and lawmakers. They scrutinized for-profits far more than nonprofit state and private institutions, including the elite campuses, like Harvard and the University of Chicago, that increased tuition by 30 percent during the program's rollout. College higher-ups pointed out during hearings that the government had never provided enough money to cover the cost of teaching

28. Shermer, *Indentured Students*, 76–116; Loss, *Between Citizens and the State*, 91–120.

29. Story, "New Deal and Higher Education."

30. Shermer, *Indentured Students*, 76–117, appendix 1; Snyder, *120 Years of American Education*, 63–94, esp. p. 89, table 33.

far more students than anyone had anticipated. Lawmakers nevertheless used those investigations to justify giving subsequent generations of GIs less help than World War II veterans in order to stop schools from taking advantage of the government's supposed largesse.<sup>31</sup>

### **Creatively Financing Unequal Opportunities**

Federal help seemed unlikely as many public and private campuses faced a substantial drop in enrollment revenue as the GI Bill's 1952 expiration loomed. Many institutions then had the space. Yet the price deterred the many Americans then wanting and needing college degrees, which then seemingly guaranteed well-paying, white-collar work. Postwar inflation as well as the expense of continuing to upgrade facilities made reversing 1930s and 1940s tuition hikes, which still did not cover the full cost of instruction, unfeasible.<sup>32</sup>

Public and private campuses struggled to keep fees down in the Cold War's early years. Few legislatures allocated the money for much-needed expansions that would have kept fees down. California state schools stood out for continuing to be tuition-free, a critical component of the revolution in mass higher education that University of California president Clark Kerr began to oversee in 1958. This National War Labor Board stalwart outlined new "uses for the university" (as his book title put it) in 1963, when he recognized that an increasingly metropolitan, postindustrial America had changing needs. Unlike present-day assumptions about generous state support, this labor economist knew from firsthand experience that "multiversities," like those atop California's three-tiered system, had been and would remain "not really private and . . . not really public." Lawmakers across the country proved more interested in assisting students with paying tuition than with generously funding higher education. More legislatures followed the lead of New York and Massachusetts lawmakers, whose lending experiments reflected the steady increase in postwar consumer credit options. Those states chartered nonprofit corporations that guaranteed bankers repayment if they lent students money for tuition at nonprofit public and private institutions.<sup>33</sup>

Increasing education costs also worried philanthropies and businesses. Top executives (like Alfred Sloan) and foundations (like the Council on Financial Aid to Education) sought donations for less prestigious private schools struggling to compete against public institutions that had lower, but still perpetually rising, fees. Many small southern and western state schools also benefited from local business communities eagerly building "business climates," a seemingly apolitical phrase that implicitly promised Steel Belt manufacturers lower taxes, less regulations, and antiunion laws. By the mid-1950s, both small-town boosters and high-ranking CEOs provided the money for science, engineering, and other departments needed to offset the research,

31. Shermer, *Indentured Students*, 76–116.

32. Shermer, *Indentured Students*.

33. Kerr, *Uses of the University*, 1; Shermer, *Indentured Students*, 117–201; Manning, "Aid to Education—State Style."

development, and workforce training needs of branch plants built in what would eventually be labeled the conservative Sunbelt. Such donations offered more help to small schools, like the teachers college that became massive Arizona State, than the relatively little funding available through government defense contracts and research grants.<sup>34</sup>

Liberal Republicans and Democrats in Congress tried to offer campuses more federal support throughout the 1950s. Lawmakers found administrators, including Conant, more amenable. Many campus higher-ups feared the predicted tidal wave of Baby Boomer applicants and knew that targeted research grant money could not cover much-needed expansions, especially since generally only prestigious state and private universities won this support. Yet bills perpetually died in committee over direct aid going to private, religious, and segregated campuses, particularly as efforts to desegregate southern state schools increased.<sup>35</sup>

Those ongoing fights almost stopped the passage of the 1958 National Defense Education Act (NDEA). That law, despite popular memory and textbook summaries, only ended up promising limited, *temporary* assistance to campuses and students after almost a year of post-Sputnik fighting in Washington. Money only went to science, engineering, math, and foreign language programs with obvious importance for defense, which could not cover the collegiate growth needed as the first Baby Boomers began to graduate from high school. Some lawmakers and White House insiders had hoped to covertly offer broad tuition assistance, particularly to help low-income students. But the law made nonprofit campuses (including private, religious, and segregated institutions) eligible for money to support talented applicants promising to study something related to defense. Students could switch their course of study without sacrificing this support. Administrators had an easier time awarding the small graduate student grants than using the federal earmarks intended to set up complicated campus loan funds for undergraduates, who could only borrow \$1,000 a year. These slush funds were theoretically self-perpetuating, like the small pots of money for student loans that had existed at select schools for more than a century. Collecting repayment remained a challenge. These complex ten-year, low-interest loans forced many schools to hire their first financial-aid officers, whose job titles signified the changing popular definition of “financial aid.” Those administrators ended up with enormous discretion over federal assistance that, according to reporters, overwhelmingly benefited middle-income families, particularly those with smart, athletic children.<sup>36</sup>

President John F. Kennedy begged Congress for more federal aid, since college costs continued to price many young people out of college even though those expenses seemed cheap decades later. “The average cost of higher education today,” Kennedy emphasized, was “up nearly 90 percent since 1950 and still rising.” Students

34. Curti and Nash, *Philanthropy*, 238–58; Shermer, *Sunbelt Capitalism*, 147–224.

35. Barksdale Clowse, *Brainpower for the Cold War*, 28–39.

36. Shermer, *Indentured Students*, 117–62.

and parents paid more than \$1,750 a year. The roughly \$7,000 needed to pay for a four-year degree was daunting in 1962, when, as JFK noted, “one-half of all American families had incomes below \$5,600.” “Industrious students can earn a part of this,” he explained. “They or their families can borrow a part of it.” But “they cannot be expected to borrow \$4,000 for each talented son or daughter that deserves to go to college,” he insisted. The relatively few \$1,000-a-year undergraduate defense loans that campuses doled out, JFK emphasized, could only “fill part of this gap.”<sup>37</sup>

Neither he nor his successor, Lyndon Baines Johnson, pursued the federal support necessary to keep fees down and campuses solvent. Historian Hugh Davis Graham argued that celebrated 1960s schooling victories were “a mixed story of initial failure and frustration, of political brilliance and luck, or partial success, of unintended consequences, and ultimately being overwhelmed, even in triumph, by stronger forces.” JFK’s aides had managed to secure the votes for the forgotten but important 1963 Higher Education Facilities Act before he died. Unlike New Deal options, this legislative breakthrough permitted parochial and denominational institutions to apply for federal grants for construction projects, so long as buildings were not dedicated to religious purposes. LBJ’s celebratory signing statement previewed how important schooling would be to this former NYA state director’s ambitions to wage a War on Poverty in order to build a Great Society. His aides pursued separate K–12 and postsecondary schooling overhauls after the passage of the 1964 Civil Rights Act, which ended concerns about public money going to segregated institutions.<sup>38</sup>

Yet Great Society liberals hid their intent to support HBCUs and students of color in the eight titles of the 1965 Higher Education Act (HEA). This storied legislation seemed to offer substantial, general, direct support for colleges, universities, and campus libraries in order to keep fees down, something a handful of Democrats had been seeking since the late 1940s. The third act particularly concerned lawmakers hostile to desegregation. It offered support for so-called developing institutions, which many lawmakers and reporters assumed to be the perpetually underfunded HBCUs that NYA director Aubrey Williams had openly tried to aid. White House insiders only later admitted that Title III had been their ham-fisted way to offer what historians later deemed “colorblind” assistance in the name of equal education opportunities. That strategy reflected how much the labor market continued to shape education policies even in an era of abundance. Liberals assumed that equivalent chances to learn would be one way to guarantee the jobs that would offer citizens of color a pathway out of poverty.<sup>39</sup>

DC powerbrokers also continued to privilege tuition assistance instead of federal aid, which reflected both the public-private character of the US welfare state and consumer credit’s increasing importance. Higher education spending jumped from \$1.4 billion to \$3.7 billion between 1963 and 1966 but never challenged American

37. Davis Graham, *Uncertain Triumph*, 22–52, quotation on 29.

38. Davis Graham, *Uncertain Triumph*, xiii–xxiv, quotation on xv.

39. Shermer, *Indentured Students*, 163–201.

higher education's long-standing business model. Federal spending approached the percentage of higher education revenue that local and state governments provided, but private donations still remained an important funding source. Neither the Johnson administration nor Congress entertained fully funding campuses or any other components of HEA amid escalating US involvement in Vietnam, wrangling over other expensive aspects of the Great Society, and pressure to avoid sizable tax increases, particularly on businesses. Lawmakers instead allocated the most money for the Guaranteed Student Loan Program, one of the Title IV tuition-assistance offerings that reified the importance of fees as a revenue source for colleges and universities. That section included funding for the War on Poverty's work-study program, national defense loans, and undergraduate fellowships, whose rules, liberals presumed, would guarantee that students of color would receive these grants. Liberals likewise assumed that the guaranteed loans modeled on the federal mortgage program were better suited to white students, who were more likely to come from working- and middle-class backgrounds and be able to find well-paying jobs to make repayment easy after graduation. But financial-aid officers decided how to allocate this federal assistance, including the loans that LBJ and other Great Society liberals hoped would spawn a new student loan industry. Enabling Americans to borrow the money for the fees, on which campuses still depended, seemed a relatively inexpensive way of expanding access to higher education (similar to how government-guaranteed mortgages had transformed the housing sector).<sup>40</sup>

College closures and mergers actually spiked in the mid-1960s, which foretold what education experts labeled a "New Depression in Higher Education." Sizable federal spending increases in the still-revered golden era for government investment in education had largely gone to tuition assistance. Administrators at nonprofit institutions continued to charge less than the cost of instruction and did not receive enough direct support from state or federal officials to end the financial uncertainty that had long plagued many colleges and universities. Almost half of US campuses, not just the HBCUs that Title III had been surreptitiously intended to help, seemed headed for trouble in the early 1970s, when another 19 percent already faced financial difficulties. "College presidents are having to face up to the fact that higher education is an industry as well as a social and academic institution," one higher education advocate warned. "Those who don't accept this don't last long." Shutdowns had a devastating impact on students, professors, and surrounding communities. Small towns and city neighborhoods often relied on campuses, as Kerr had predicted, to serve many uses, particularly employment, at a moment when researchers noted that universities had "become as characteristic an institution in America as the church was three hundred years ago."<sup>41</sup>

40. Shermer, *Indentured Students*, 163–201, appendix 1; Snyder, *120 Years of American Education*, esp. p. 89, table 33.

41. Sapiro, "When the End Comes"; Cheit, *New Depression in Higher Education*, table 1 in unpaginated foreword; *Berkshire Eagle*, "Donald Battenheim, 91, Magazine Publisher"; *CT*, "Best Growth Industry in U.S. Today"; quotation from Veysey, *Emergence of the American University*, ix.



The quality of campus jobs started to worsen. Only 78 percent of faculty were tenured or tenure-track three decades after the AAUP's 1940 tenure statement. Recent studies focusing on the academic labor market have highlighted that that percentage has steadily declined since the early 1970s. Some reports now indicate that roughly 75 percent of faculty have no possibility of tenure. That shifting reality was hardly unique to the academic labor market. Labor historians have emphasized for years that the decent, secure white- and blue-collar jobs that financed the largely white middle class's postwar prosperity have steadily disappeared.<sup>42</sup>

Lawmakers still continued to prioritize student assistance when they reauthorized HEA in 1972. Those celebrated changes included then-controversial Title IX, which ensures that women have equal educational opportunities, and the equally divisive, purportedly colorblind federal Pell Grant program, which provides scholarship money for low-income students, whom most lawmakers then privately assumed would only be African American. Campus financial-aid officers had no control over this new federal tuition-assistance option, but lawmakers had limited this direct assistance so that low-income students would also have to borrow through the guaranteed-loan program that financial-aid officers controlled. Liberal lawmakers, including Senator Claiborne Pell, successfully fought to tie direct federal aid for campuses to the number of Pell recipients in order to encourage admissions officers to diversify their student bodies.<sup>43</sup>

Few questioned expanding federal student-aid eligibility to proprietary schools or creating the Student Loan Marketing Association in 1972. Lawmakers had tightly regulated the for-profits eligible for the GI Bills that followed the original's expiration but did not let them participate in the civilian options until 1972, when their inclusion seemed a colorblind way to assist aspiring students of color, particularly women, still more likely to enroll in for-profits. Cost inspired Democrats and Republicans to embrace a new government-sponsored enterprise modeled on Fannie Mae, which exemplified how lawmakers looked back to New Deal experiments and how the business of education would continue to match larger shifts in US political economy, like the financial sector's increasing importance. Sallie Mae encouraged more bankers to participate in the student loan industry by making it easier for them to buy, sell, and profit from student debt. Financiers had been initially uninterested in and even hostile to guaranteed loans, which seemed in the mid-1960s an unnecessary expansion of federal power that only assured negligible profits. Bankers could no longer resist a program in the 1970s when the economy stalled. A guaranteed return for bankers (not students and campuses) coupled with the new secondary market encouraged lenders to experiment with other student-aid financial products. Federal loans, which came with guaranteed repayment, offset the substantial risk of these private loans, which greatly expanded lenders' growing student loan portfolios.<sup>44</sup>

42. Kezar and Maxey, "Changing Academic Workforce"; Wallis, "Rise of Adjunct Faculty"; Lichtenstein, *State of the Union*, 212–45.

43. Gladieux and Wolanin, *Congress and the Colleges*; Shermer, *Indentured Students*, 202–41.

44. Shermer, *Indentured Students*, 202–41.

Postsecondary schools, parents, students, and taxpayers paid the price of a rapidly growing, highly profitable industry that, like an increasingly deregulated housing sector, exacerbated inequities. The 1972 amendments, as experts later realized, marked a symbolic end to congressional efforts to even meagerly directly fund colleges and universities to ensure affordability. For the next forty years, administrators begged for such support to keep fees down. Lawmakers habitually proved more interested in bolstering the guaranteed-loan program and easing restrictions on for-profit schools' eligibility for federal tuition-assistance programs, since proprietary schools disproportionately served immigrants, citizens of color, women, and nontraditional students despite the best intentions of the Civil Rights Act, Title IX, and Pell Program. For-profit enrollees often wanted more vocationally oriented credentials or struggled to be admitted to nonprofits, whose schedules and locations left them more accessible to young people who did not need to live at home. Lawmakers' inclination to support student assistance, increasingly called financial aid, did not help colleges cover rising operational costs and satisfy new rules for hiring, employment benefits, and workplace safety, while making necessary facility and equipment improvements (including mundane needs like better phone lines). Cash-strapped campuses continued to hire more contingent instructors and seek donations. Administrators also experimented with profiting from patents, recruiting more foreign students, brokering transnational partnerships to begin degree programs abroad, and offering online options in order to better compete with for-profits that really began exploiting their federal tuition-assistance eligibility in the 1990s, when these institutions' numbers and student bodies markedly increased.<sup>45</sup>

Such efforts reflected how many campuses remained reliant on fees and had shaky finances. Experts uncovered that elite, private schools raised tuition in the 1980s as a surprisingly successful marketing tool to attract students and parents focused on prestige. Higher-ups at state campuses and smaller private institutions believed they had little choice but to raise rates for domestic, foreign, and online students, even though an increasing number of borrowers defaulted as real wages stagnated, inequities increased, and many blue- and white-collar workers (not just faculty) found themselves with less power and authority on the job. Colleges and universities were, after all, among the many beleaguered public and nonprofit institutions competing for even fewer resources since the 1970s, when much of the scholarship on the student-debt calamity and college financial crisis started. Lawmakers in Washington, across the country, and in both parties generally had little interest in more taxing and spending to support what remained of the New Deal's public-private social safety net. The government divestment, private support, and rising expense for students, which many have considered the hallmarks of the neoliberal universities' emergence, was hardly unique to higher education in decades that eventually became synonymous with the triumph of conservatism in the United States and neoliberalism around the world. "Every public official," a higher education consultant explained in the mid-2000s, understood that campuses could just raise fees "to compensate for state cutbacks."<sup>46</sup>

45. Shermer, *Indentured Students*, 242–87.

46. Shermer, *Indentured Students*; Fergus, *Land of the Fee*, 49–96, quotation on 75.

Student loan reform, not an overhaul of campus financing, seemed possible just before and during the Great Recession. Online forums gave borrowers a space to express their frustrations and see how many others also felt trapped by student debt that an admissions officer admitted to reporters seemed like “an indenture . . . indenting these kids for life.” Growing outcry helped a Democratically controlled Congress pass substantial reforms in 2007 and 2008, which included increasing Pell Grant support, decreasing lender subsidies for guaranteed loans, and adding more repayment options. Lawmakers broke precedent when they abandoned the colorblind help for developing institutions and instead explicitly allocated \$500 million to bolster HBCUs and other so-called Minority Serving Institutions (MSIs). Congress also compelled the Education Department to collect far more data on the loan industry and student debt, which had only been haphazardly tracked. Lawmakers also set guidelines for accrediting postsecondary schools that particularly targeted the online predatory for-profits (like the now-defunct Corinthian College), whose numbers had grown as their access to federal student assistance had increased in the 1990s. Student debt remained on the nation’s agenda during the 2008 elections when Barack and Michelle Obama emphasized that they had only recently paid off their student loans. During the tense 2010 budget reconciliation process, a slim Democratic majority helped the president permanently replace the guaranteed-loan program with the direct student loan program that provided tuition assistance directly from the government instead of private lenders. President Barack Obama considered signing that budget-reconciliation law “two victories” for 20 million uninsured Americans and the many more who had borrowed for college through the guaranteed-loan program, a “sweetheart deal in federal law that essentially gave billions of dollars to banks.”<sup>47</sup>

### **Pandemic Perils and Opportunities**

Historians have argued that guaranteed lending seemed “a small price to pay” for passing HEA. Experts have continually linked that legislation and the NDEA to the exponential growth of the country’s student body between 1955 and 1974. The number of students tripled, the percentage of eighteen- to twenty-four-year-olds pursuing higher learning almost doubled, and the number of community colleges more than doubled. Almost every state started or developed a new research university. Public options outnumbered and taught more students than private nonprofit institutions did. All four-year institutions awarded almost five times as many master’s degrees as well as almost quadruple the number of PhDs. More women, immigrants, and citizens of color also matriculated.<sup>48</sup>

Those statistics look far different as colleges have struggled to remain open and student debt had surpassed \$1.5 trillion. The 2010 reconciliation process did not

47. Schemo, “Private Loans Deepen a Crisis in Student Debt”; Fergus, *Land of the Free*, 49–96; Mettler, *Degrees of Inequality*, 133–88; “Remarks by the President and Dr. Jill Biden at Signing of Health Care and Education Reconciliation Act,” March 30, 2010, <https://obamawhitehouse.archives.gov/the-press-office/remarks-president-and-dr-jill-biden-signing-health-care-and-education-reconciliation>.

48. Davis Graham, *Uncertain Triumph*, 203–26; Geiger, *Research and Relevant Knowledge*, 198–229; Loss, *Between Citizens and the State*, 165–213, quotation on 175.

forgive student debts or change colleges' precarious finances, which have continued to leave citizens in the peculiar position of not being able to afford to skip or go to college. Of the 14 million enrolled at the millennium's turn, less than a million were Asian American, roughly 1,400,000 were Latinx, and fewer than 2 million were African American. Women have also become more likely to matriculate and graduate. Students of color, particularly women, continue to take out more money, struggle to repay it, and default. Coeds, regardless of race, tend not to receive the scholarships that would reduce how much they have to borrow. Plus, women continue to be paid less for the same work as their male counterparts both in school and after. They thus generally take longer and spend more to pay back liens that continue to accrue interest if they have to take time off to have children or care for elderly relatives. African American and Latinx families have particularly lacked the inherited family wealth that would have enabled them to pay out of pocket for college. They hence spent more money over time for the same degrees that their wealthier peers completed.<sup>49</sup>

COVID-19 exposed the inequality and financial uncertainty endemic to the business of education. Most colleges and universities have historically struggled to compete for enough revenue to meet ever-changing economic, political, and social obligations. By 2017, most states expected tuition to primarily fund public campuses. The need to rapidly move classes online in 2020 underscored how tuition has always provided inadequate funding. There is a stark digital divide between the wealthy universities with a substantial tech infrastructure and the many small private colleges and large public institutions, particularly those serving students of color. Administrators with fewer resources were unable to provide the Wi-Fi hot spots and laptops to the estimated 20 percent of students nationwide who did not own computers. The undergraduates able to Zoom into lectures had an unintentional lesson in the inequality mass higher education had not ameliorated when they saw classmates sheltering in suburban houses, cramped apartments, and (for those who had no stable homes or internet options elsewhere) dorms.<sup>50</sup>

The actions taken and promises made will be inadequate to right wrongs that predate neoliberalism's ill-defined rise. There have been local efforts to make individual campuses more progressive, particularly in regard to better working conditions for adjuncts and improved relationships with neighboring communities of color. But the March 2020 CARES Act offered nothing for a much-needed national overhaul. Those paying off certain kinds of federal student loans were given several months of suspended payments and interest charges. Federal aid for colleges and universities remained linked to tuition assistance despite the many uses that universities still have. The \$14 billion allocated for campuses included \$6 billion for emergency grants

49. Snyder, *120 Years of American Education*, figures 4 and 5; Loss, *Between Citizens and the State*, 214–38, figures A.2 and A.3; Shermer, *Indentured Students*, 242–302. The data available since 2008 has transformed research into how gender, race, and class have shaped the student debt burden, particularly after a multicampus study that New America Foundation researchers covered in depth; see Chetty et al., “Mobility Report Cards”; Burd, “Moving On Up?”

50. Seltzer, “Tuition Grows in Importance”; Casey, “College Made Them Feel Unequal”; Patel, “Covid-19 Is a Pivotal Moment for Struggling Students.”

for students. Lawmakers, as they had since the 1972 HEA reauthorization, used Pell Grants to calculate how much an individual institution would receive to assist enrollees and to cover costs connected to COVID-19. Congress also openly set aside money to aid MSIs, just as they had first done during the Great Recession.<sup>51</sup>

More is needed for the kind of progressive overhaul of American education that liberal midcentury efforts never attempted. Protests against higher fees, increasing debts, and terrible working conditions should continue. Americans also need to elect politicians promising a change in college financing and then hold them accountable for carrying out, implementing, and enforcing a revolution that surpasses the ambitions of the Morrill Act and the California Master Plan. Massive student-debt forgiveness, which some Democratic Socialists have demanded, must be tied to shifting the federal government's resources away from tuition assistance and toward federal aid. As Harvard public policy expert David Deming has noted, lawmakers earmark more to subsidize college attendance than public campuses take in annually. Freeing state schools from their historic reliance on fees would effectively turn them into the kind of public option that liberals had once hoped Obamacare might include. The lack of such a low-cost competitor became clear amid a pandemic that has also highlighted the need for the university research and training that the complicated business of American education never generously supported.<sup>52</sup> ■

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51. Seltzer, "How Much Stimulus Will Your College Receive?"; Lustig, "Coronavirus Stimulus."

52. Deming, "Tuition-Free College Could Cost Less Than You Think"; Lichtenstein, "From Clinton to Obama."

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