BEWARE MONOMANIA

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The Education Apocalypse: How It Happened and How to Survive It
by Glenn Harlan Reynolds (New York: Encounter Books, 2015; first published 2014 as *The New School: How the Information Age Will Save American Education from Itself*)

For the "secondhand dealer in ideas," to borrow Friedrich Hayek's term, a theory, especially one that jibes with his or her worldview, can provide a fount of inspiration and intellectual fodder. Indeed, some writers, policy analysts, college professors, pundits, and other savants, real and imagined, have built their careers rehashing the theories and ideas of past and contemporary philosophers, scientists, artists, and statesmen. In many instances, this phenomenon is beneficial, as it connects the public to important areas of knowledge and thought that might otherwise be lost in the miasma of popular culture and practical politics. In other instances, however, the "dealer" does a disservice to rational discourse and the advancement of social and economic understanding, particularly when his devotion to an attractive idea fosters unwillingness to consider fully competing theories and contrary evidence.

This deleterious tendency diminishes the value of law professor and Instapundit blogger Glenn Harlan Reynolds's most recent book, *The Education Apocalypse: How It Happened and How to Survive It*, which attempts to explain the origins of the so-called college bubble and the demise of K–12 educational quality, as well as show how technology will upend the education establishment. The author, who devotes most of his roughly one-hundred-page book to higher education, does a good job outlining the sector's numerous problems, which have piled up over the course of many decades. But some of his broader statements and predictions are unfounded or oversimplified.

"A theory is like a weed. Unless it is pruned back by empirical testing, it will grow to fill any void," remarked Andrew A. King, a professor in Dartmouth College's business school, in a September 2015 interview with the *Chronicle of Higher Education*. King was referring to prominent Harvard Business School professor Clayton Christensen's theory of disruptive innovation, first presented in Christensen's 1997 book *The Innovator's Dilemma*. The theory, which has been used to explain rapid change in industries ranging from computer chip manufacturing to bookstores, is based on the premise that incumbent firms in a given market tend to focus on making incremental improvements to existing products and services, rather than on providing new and possibly revolutionary ones. Such shortsightedness, the theory goes, leaves room for upstart firms and entrepreneurs to disrupt the market with more affordable or unique innovations.

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The concept is "creative destruction" redux, an addendum to the theory popularized by economist Joseph Schumpeter in the early twentieth century, which describes the market process as a continuous and often turbulent cycle of "out with the old, in with the new." Strong belief in this theory has prompted some pundits—including Reynolds—to claim that online technology will drastically alter higher education and undermine its flawed and unsustainable financial model. Such conviction is one reason that Christensen, in a 2013 interview with *The Economist*, said, "I'd be very surprised if in ten years we don't see hundreds of universities in bankruptcy."

Professor King and one of his colleagues recently tested Christensen's disruption theory, which has become conventional wisdom in the business world and is a central tenet for some free-market education reformers. Their findings, based on two years of research, interviews with experts, and in-depth case study analysis, were published in the fall 2015 *MIT Sloan Management Review*. The results indicate that of the seventy-seven major examples cited in Christensen's books—involving companies such as Barnes & Noble and Kodak—only 9 percent meet all of Christensen's theory's criteria. The authors state that, at best, the theory "provides a generally useful warning about managerial myopia." They conclude, however, that while "[stories] about disruptive innovation can provide [business managers with] warnings of what may happen…they are no substitute for critical thinking…[or] careful analysis."

That admonition should give pause to those who have adopted the kind of reflexive exuberance for disruption found in *The Education Apocalypse*. Reynolds states that we're at the beginning of an "online revolution" and points to various providers and platforms such as Khan Academy, Western Governors University, Udacity, "flipped" classrooms, and video-game-like educational software as precursors of significant transformation. He even speculates about the possibility of "hoteling," where students get the "college experience" in a physical setting but take the bulk of their courses online. "Change is coming, and it is unlikely to be either modest or gradual," he writes.

Commentators such as Reynolds have long claimed that online innovation will make college cheaper, enhance educational quality, and threaten brick-and-mortar schools' existence. So far, not one of those things has happened. Nor do those predictions appear likely to come true in the foreseeable future. The once-vaunted Massive Open Online Course (MOOC) is now largely viewed as a bust: attrition rates are extremely high because students tend to lack the necessary incentives and motivation to complete courses, and the setup costs are often beyond the financial means of most universities.

"Flipped" classes, in which students receive course content online and then attend physical classes to discuss material and work on various class projects, have had greater success but are by no means widespread; faculty, who control curricula and course content, are generally skeptical of online education, no matter its format. Seventy-five percent of chief academic officers surveyed in 2015 by Babson Survey Research Group (in conjunction with the College Board and the National Center for Education Statistics) indicated that professors generally distrust "the value and legitimacy of online education." That distrust is backed up by mounting evidence, such as the recent study of 217,000 California community college students that showed that in terms of completion rates and letter grades, online students performed worse than students who had attended physical classes.

Online education requires a high level of discipline and self-control that many college students appear to lack. Furthermore, the hard sciences, scholarly research, writing instruction, and many other academic fields and endeavors demand one-on-one attention and in-person, human interaction. Deep learning necessitates expert mentorship and the trials and tribulations associated with quizzes, tests, the Socratic method, study groups, and so forth. Passive consumption of course material, common in online settings, does not benefit students in the long run.

This, however, is not to say that learning technology does not show signs of promise. In the future, universities that find ways to fuse the best of the online world with the best of traditional higher education will carve out a distinct advantage in the highly competitive and diverse collegiate landscape. Some of the biggest developments in the "EdTech" sector, which involve course management systems, are already helping professors deliver content more efficiently and helping students communicate more easily with their peers and instructors. And alternative approaches to credentialing, mentioned briefly in Reynolds's book, could bring welcome change to the labor market. There's an opportunity for entrepreneurs to develop a LinkedIn-style platform that helps students compile "digital portfolios" and demonstrate their skills and learning outcomes to employers, many of whom find college transcripts to be a substandard screening tool because of problems such as credential and grade inflation.

Unfortunately, the "disruption" theory is not the only suspect theory undergirding *The Education Apocalypse*. Reynolds, whose popular Instapundit blog publishes "Higher Education Bubble Updates" whenever a college closes or experiences enrollment declines, believes that higher education shares similarities with the pre–Great Recession housing market and is due for a major correction. The author traces government involvement in higher education from the Civil War–era Morrill Act, which established land-grant universities to train students in "useful" disciplines related to agriculture and engineering, to the post–World War II era, which was marked by federal research grants and new student financial aid programs. As a result of such subsidization, Reynolds says, "Higher education in the late twentieth century gradually became something of a bubble, in which prices—tuition—rose faster than their likely return in the form of graduates' wages."

He certainly is right that tuition has increased substantially over the past several decades, as universities have "captured" student loan dollars by ratcheting up their prices. This phenomenon was first identified in the 1980s by then-Education Secretary William Bennett (the "Bennett hypothesis") and was most recently corroborated by a July 2015 Federal Reserve Bank of New York report, which showed that for every $3 increase in student loans, colleges raise tuition by $2.

Easy student loan money has affected more than tuition prices, as Reynolds points out. It has contributed to "administrative bloat" and caused universities to lure students by focusing less on education and more on entertainment, climbing walls, fancy dorms, and so forth. It also has contributed to low graduation rates and diminished academic standards, and has even begun to exact high social costs, as many students with significant student debt avoid getting married, starting families, and buying homes. Here Reynolds proposes a sensible response: "Let's give colleges some skin in the game by making *them* absorb the loss, or at least part of it, if students can't [repay their loans]. Perhaps if students can't pay their loans by 10 years after graduation, they should be allowed to discharge them in bankruptcy, with the institutions that got the loan money on the hook for, say, 20 percent of the loss. You fix a malfunctioning credit system by ensuring that the people who can control the risks are the ones who face a loss if things go wrong."

Higher education has no shortage of horror stories related to soul-crushing student debt, college closures, and steep enrollment declines, all of which are discussed in Reynolds's book. But there are several reasons why we shouldn't extrapolate doomsday scenarios from those stories. First, overall college enrollment has remained solid in recent years; today about 70 percent of high school graduates choose to attend either community college or four-year colleges and universities. For those students, the long-term value of college is still high enough to justify any opportunity costs or student loan payments that may accrue.

Second, it's apparent that employers still value college degrees, despite their complaints. If they didn't, they'd base hiring decisions on, for instance, applicants' SAT scores and high school GPAs. Third, state and federal government support for higher education is at an all-time high and is showing no signs of diminishing. For better or worse, many universities will be put on life support in the event of a calamity. And finally, colleges are not closing at an alarming rate. From 1990 to 2014, according to the National Center for Education Statistics, 129 colleges closed—roughly five per year (in the depths of the Great Recession, that number doubled). When we consider that there are roughly 4,700 degree-granting postsecondary institutions in America, and that new schools come into existence each year, the rare college closing that "bubble" theorists point to seems trivial.

As Reynolds admits, the schools in the most trouble are small, tuition-dependent colleges with slender endowments. But left unsaid is that those schools are taking steps not only to maintain solvency and withstand future downturns but also to grow and attract new students. Some have eliminated unnecessary or duplicative administrative functions, cut (or strategically expanded) degree programs, and sold or rented out unused university property. Others are competing along educational lines to offer new courses and degrees that match the needs of regional workforces.

The Education Apocalypse succinctly describes the major issues facing higher education and offers several smart reform proposals. For instance, Reynolds advocates more transparency in university budgets, which he says are "notoriously byzantine" and enable schools and university systems to fleece taxpayers. Occasionally, however, the author's theoretical proclivity allows important counterevidence to be ignored. There are limits to technology's influence on higher education, just as there are limits to "disruptive innovation" generally. And although some colleges have lived beyond their means in recent years, there are compelling reasons to believe that most of them will find ways to adapt and become solvent. The higher education sector is vibrant, and its resiliency precludes apocalypse.