Is Higher Education Still About Education?

Issue I

BNS

Artwork by Chelsea Toni
Artist Portfolio

Abstract
Students once used college to delay economic risk. Today, many balance tuition, employment, and professional signaling simultaneously. This essay examines how that shift reflects broader changes in the university system.

Is Higher Education Still About Education?
The Changing Function of the University - Branson Bailey

Time was once the promise of higher education. Students were given years to explore, specialize, and delay risk. While universities continue to treat undergraduate study as a period of preparation, economic shifts have transformed labor-market expectations, requiring professional development much earlier than anticipated. Within the college system, undergraduates are increasingly valued as short-term assets rather than long-term investments.

The Original Design of Higher Education
As World War II reshaped the American economy, universities became a structured way to delay entry into the labor market. In the shadow of the Great Depression, a victorious United States vividly recalled the economic instability that had followed the previous post-war transition. The Serviceman's Readjustment Act of 1944 (GI Bill of Rights) was one of many legislative efforts to sustain economic stability. The Bill focused on integrating veterans into civilian economic life by offering pathways to higher education. Prior to WWII, only 7% of adult Americans held college degrees. By 1954, 7.8 million veterans had used GI Bill benefits to attend four-year colleges, two-year colleges, or career training programs, catalyzing the rapid expansion of higher education (National WWII Museum, n.d.). States established entirely new university systems to keep pace with demand.

The economic need for college systems did not appear out of thin air; American work norms were already shifting toward a more stable, white-collar economy. New Deal era reforms under President Franklin D. Roosevelt focused on providing protections for Americans in the workplace, and legislation like the National Industrial Recovery Act inadvertently contributed to the formation of long-term employment norms (Harvard Law Review, 2023). Over the mid-twentieth century, these changes coincided with a broader shift away from manual labor and toward administrative, managerial, and professional work. Stable, long-term employment norms created demand for delayed market entry (Elvery, 2019). The growth of the university system assumed time spent in higher education would serve as a tool for economic regulation, an assumption that has been effective for many decades, but no longer holds.

Economic Acceleration & Structural Change
Postwar expansion allowed higher education to absorb economic risk, but it also shaped institutions in ways that undermined that function. As federal funding, student lending, and research dollars became central to university finances, growth itself became the primary objective for campuses. Federal policy encouraged colleges and universities to compete for grants, enrollment, and tuition-backed loans, rewarding expansion, prestige, and scale (Shermer, 2022). Over time, institutions increasingly measured success through growth metrics rather than long-term student outcomes, treating enrollment as a source of revenue rather than a long-term investment. This shift did not immediately disrupt higher education's stabilizing role, but it altered how the system understood its responsibilities. Expansion prioritized volume and visibility, while the economic risks associated with debt financing, credential saturation, and alignment with the labor-market weren't fully acknowledged (Clark, 2025).

Compression of Student Timeline & Uneven Returns

Higher education no longer offers students time as a low-risk resource; the expansion of both the economy and the university system has compressed the window for exploration. Recent national data indicate that nearly seven in ten U.S. college students now work while enrolled, with a substantial share reporting full-time employment alongside their studies (Tucker et al., 2025). What was once framed as supplemental experience has become a necessity, shifting labor market participation into the undergraduate years. At the same time, internships have evolved from optional experiences into mandatory gatekeepers for entry-level employment, further compressing the timeline for students to signal professional readiness.

Evidence of early professionalization is increasingly visible across undergraduate life. Students now pursue internships, externships, and industry fellowships as early as their first year of enrollment, often holding multiple part-time professional roles during the academic year. Others launch small ventures, freelance services, or independent online businesses while still enrolled, using early income generation to build experience before graduation. These behaviors reflect not heightened ambition alone, but adaptation to compressed timelines in which professional signaling must occur earlier for graduates to remain competitive (Tucker et al., 2025). Shorter early-career job tenure among younger workers reflects this instability, as students cycle through roles more rapidly in search of alignment and security, shifting the burden of experimentation from institutions onto individuals (Romero, 2025; Randstad, 2025).

Institutional Lag

If economic pressure has reshaped student behavior, the pattern raises a broader question: why has the university system been so slow to respond? The university system struggles to adjust to these changes not because they go unnoticed, but because higher education is structured to move slowly by design. Rules around accreditation, shared decision-making between faculty and administrators, and a strong emphasis on consistency across institutions all build caution into how universities operate. The American Association of University Professors, one of the most influential bodies shaping academic governance in the United States, formalized shared governance in its 1966 *Statement on the Government of Colleges and Universities*, distributing authority across faculty, administrators, and trustees; and embedding caution into change (AAUP, n.d.). Building on this structure, higher education scholar Robert Birnbaum draws on research showing that faculty senate involvement spreads decision-making, making system-wide change slower and more difficult (Birnbaum, 1989).

As formal institutions struggle to adapt at the pace required, students increasingly generate value, signal competence, and build professional identity through informal networks, peer communities, and project-based work beyond traditional structures within higher education (Kamenetz, 2010). This shift is visibly reshaping undergraduate life, including expanded student employment, internships, and increasingly, student entrepreneurship.

The Return of Informal Learning

Although these behaviors appear new, they reflect a much older educational pattern. Before formal degree systems, learning occurred through communities of practice, peer exchange, and incremental participation in real work. Knowledge was acquired by doing, observing, and contributing within networks rather than by progressing through standardized curriculum. In this sense, student entrepreneurship and peer-led professional development represent a return to an earlier model of learning shaped by proximity, experimentation, and shared responsibility (Kamenetz, 2010).

Modern universities, however, were built to organize and credential learning at scale, not to track or govern these informal processes. Independent ventures, freelance labor, peer-led initiatives, and external collaborations rarely register in academic assessments, despite their growing role in shaping post-graduate outcomes. This creates a structural lag. Institutions continue to evaluate success through completion and placement metrics that capture outcomes only after risk has already been absorbed by students. Meanwhile, students navigate compressed timelines in real time, making decisions about work, debt, and opportunity without institutional guidance calibrated to current economic conditions.

The reemergence of informal, student-driven professionalization does not signal the failure of higher education, but a misalignment between institutional pace and economic reality. Understanding how students adapt within this gap requires attention to the spaces where learning and professional formation now occur, even when they fall outside traditional academic boundaries.

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Market Indicators

Justis Simmonds & Branson Bailey

Three adjacent markets provide observable signals within higher education.

For-Profit Universities.

Strategic Education (STRA) increased revenue from roughly $1.0 billion in the mid-2010s to $1.22 billion in 2024. Adtalem Global Education (ATGE) declined from approximately $1.9 billion in 2014 to $870 million in 2020 before recovering to $1.79 billion by 2025. In both cases, when enrollment fell, revenue fell quickly. The financial impact was immediate, suggesting these tuition-dependent institutions have limited cushion when student demand declines.

Digital Skill Platforms.

Udemy's revenue expanded from $276 million in 2019 to approximately $790 million by 2025. The growth reflects rising demand for short, job-focused learning outside traditional universities.

Student Loan Servicers.

Outstanding U.S. student debt has reached approximately $1.77–1.78 trillion. Navient's stock fell to $3.91 during the 2020 federal loan pause, rose near $20 in 2021, declined amid forgiveness debates, and rebounded following repayment restarts. The company's stock rose and fell alongside federal decisions about loan pauses and repayment.

These companies operate in different parts of higher education: tuition, short-term skills, and student loans. Across all three sectors, revenues and valuations shift quickly alongside changes in labor markets and federal policy. These movements provide observable signals of how parts of the higher education ecosystem respond to economic conditions.

One question remains: who ultimately absorbs the volatility of higher education?

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From the Community


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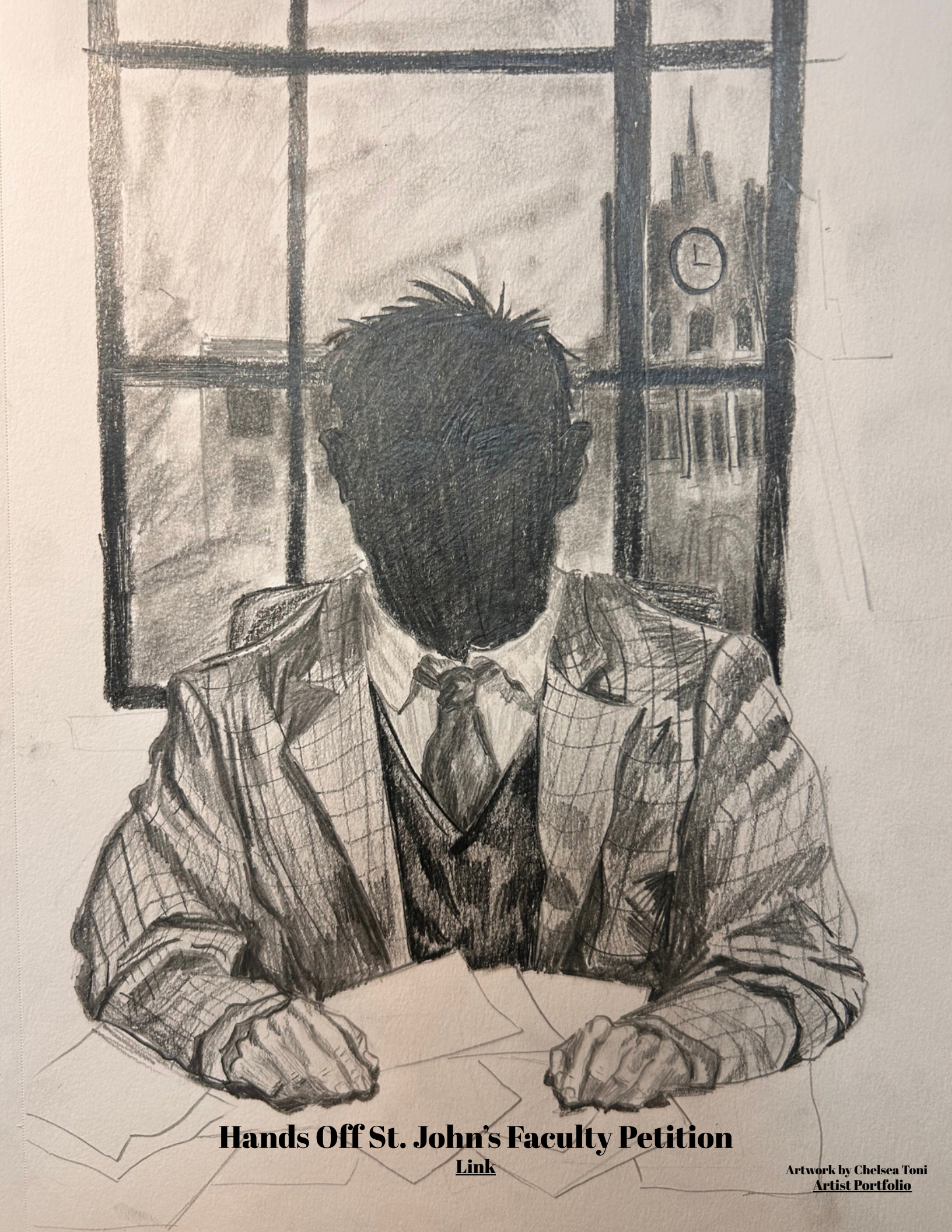

Hands Off St. John's Faculty Petition

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