

Is a College Degree Still a Good Investment?

While the opportunity to pursue higher education used to be an integral part of the American Dream, it is now a trail plagued by risk and cumulative debt. Collectively, graduates in the U.S. currently carry \$1 trillion in student debt, which is hindering their ability to establish businesses, create job opportunities and take their first steps on the property ladder. While some may consider rising levels of student debt to be an inevitable consequence of the global recession, subsequent education cuts are only serving to exacerbate the situation. According to research, in 2012, 26 states were set to slash spending during the current fiscal year, while 35 local authorities continued to invest at a lower rate than before the recession. At the same time, college fees continue to rise at a faster rate than inflation, meaning that students are effectively investing in inferior degrees that can no longer guarantee employment or a suitable level of future remuneration.

Higher Education and the Job Market

The combination of soaring tuition fees, diminishing employment prospects and reduced government spending has changed the face of higher education in the U.S. and left many questioning whether it still represents a sound investment. The fact remains that students pursue higher education in order to gain specific academic qualifications, which in turn ensures that they are employable within their chosen fields. As the U.S. job market continues to recover slowly, parents and aspiring graduates are reluctant to invest in education that is unlikely to secure financial and professional security. The U.S. economy created 175,000 jobs during May 2013, and while the unemployment rate increased slightly to 7.6%, this still represents a significant improvement on the corresponding figures from last year. These statistics are misleading, however, as they distort the weakest labor market recovery since World War II. Essentially, the majority of job opportunities that are being created deliver less than living wages. A recent report by public policy group Demos suggests that various forms of government investment in the private sector have created nearly two million jobs that pay just \$12 an hour or less.

The Changing Nature of the Job Market and the Ability of Students to Capitalize

Owing to numerous technological and social advancements, the nature of the workplace has changed considerably since the turn of the century. This has led to a rise in the number of self-employed citizens and freelancers, with approximately one-third of the U.S. workforce now operating independently. A look at the demographics behind these figures suggest that while self-employment has risen by 24% among individuals aged 65 and over since 2010, it has fallen by 19% among those who are 25 and under during the same period. While some may argue that this statistic is simply reflective of the fact that formal education lends itself to the traditional employment market, it also suggests that the burden of student debt is weighing heavily on graduates. The share of 25 year olds carrying student debt has risen by 18% since 2003, and along with the rising cost of tuition, this offers an insight into the issues facing graduates nationwide. More specifically, the weight of student debt is placing huge constraints on students once they have qualified for a loan, especially in terms of their ability to take risks and establish a business venture.

Living the American Dream: Can Students Afford the Trappings of Adulthood?

While the effects of economic stagnation are not reserved only for graduates, there is an interesting contrast between the levels of student and consumer debt. While U.S. citizens have held total consumer debt to a respectable 9% increase since 2004, student debt has more than tripled to approximately \$1 trillion during the same period. This underlines the severity of the financial issues facing those who have pursued higher education, and hints at their relative inability to reinvest money into the economy. As graduates continue to grapple with a slow job market and soaring debt levels, they are unable to invest in the trappings of adulthood and contribute towards a sustainable economic growth. Given that the college enrollment rate among high school graduates has risen steadily since 1959 and reached a high of 70.1% as recently as 2009, this leaves a potentially vast demographic of citizens who are unable to purchase houses, cars or invest in their long-term financial futures. In addition to creating a generation of adults who are unable to fulfill the American Dream and achieve their full potential, the implications for a long-term economic recovery are also extremely worrisome.

The Bottom Line

Placing the economic implications of post-secondary education to one side, however, the steadily rising college enrollment rate proves that many individuals still believe in higher education as a sound investment opportunity. While it is unclear whether this is the result of enduring faith in the education system or a failure to appreciate the changing nature of the economy and its workplaces, it cannot be denied that rising tuition fees and an ailing job market continue to perpetuate a trend of spiraling student debt and lost opportunities. Unless this can be addressed, higher education will continue to represent an increasingly risky and uncertain investment in the years to come.

Adapted from www.investopedia.com

Ex. 1 Find the words or expressions in the text which mean the following:

- 1) total money that you owe: _____
- 2) to make it difficult for sb to do sth: _____
- 3) higher and higher levels of ownership: _____
- 4) to make the situation even harder: _____
- 5) less popular or prestigious university programs: _____
- 6) to become lower or smaller: _____
- 7) to be likely to be hired by sb: _____
- 8) meant to make you see things in a different way: _____
- 9) limitations: _____
- 10) slowdown in business: _____
- 11) seriousness of sth: _____
- 12) effects of sth on business: _____

Ex. 2 Match the expressions from the two columns into logical collocations:

- | | |
|------------------|--------------------|
| 1) to pursue | independently |
| 2) to carry | higher education |
| 3) an inevitable | for a loan |
| 4) soaring | enrollment |
| 5) a significant | tuition |
| 6) less than | tuition fees |
| 7) to operate | a debt |
| 8) cost of | living wages |
| 9) to qualify | improvement |
| 10) college | consequence of sth |

Ex. 3 Provide English equivalents of these expressions:

| | |
|-------------------------------|-----------------------------------|
| 1) nieodłączny element czegoś | 7) działalność gospodarcza |
| 2) wynikające z ... | 8) utrzymywać trend |
| 3) wynagrodzenie | 9) na równi pochyłej |
| 4) rozsądna inwestycja | 10) ryzykowna inwestycja |
| 5) przełom wieków | 11) ponownie w coś zainwestować |
| 6) zaważać na czymś | 12) kwestie dotyczące absolwentów |

Grammar corner...

One of the signs that you've mastered English well is your command of typical collocations that native speakers use. There were several of them in the text. Look at the text again and find the collocations.

Ex. 4 Go back to the text and match the collocations

| | | | |
|-----|-----------------|----|----------------|
| 1. | to place | a. | itself to sth |
| 2. | sth has changed | b. | advancements |
| 3. | demographics | c. | considerably |
| 4. | to weigh | d. | level of sth |
| 5. | in | e. | heavily on sth |
| 6. | sth lends | f. | to do sth |
| 7. | numerous | g. | constraints |
| 8. | suitable | h. | stagnation |
| 9. | reluctant | i. | terms of |
| 10. | economic | j. | behind sth |

| GLOSSARY | |
|---|---|
| cumulative debt | całkowity dług |
| to hinder sb's ability to do sth | zmniejszać czyjąś zdolność do ... |
| the property ladder | posiadany majątek |
| to exacerbate the situation | zaognić sytuację |
| inferior degrees | podrzędne kierunki studiów |
| to diminish | zmniejszyć się |
| to be employable | być atrakcyjnym dla potencjalnego pracodawcy |
| misleading | wprowadzający w błąd |
| constraints | ograniczenia |
| economic stagnation | stagnacja gospodarcza |
| severity of sth | poważne skutki czegoś |
| economic implications | skutki gospodarcze |
| to pursue higher education | kontynuować kształcenie w szkolnictwie wyższym |
| to carry a debt | być obciążonym długiem |
| an inevitable consequence of sth | nieunikniony skutek czegoś |
| soaring tuition fees | rosnące czesne |
| a significant improvement | znaczna poprawa |
| less than living wages | pensja nie wystarczająca na pokrycie kosztów utrzymania |
| to operate independently | działać niezależnie / samodzielnie |
| cost of tuition | koszty kształcenia |
| to qualify for a loan | mieć zdolność kredytową |
| college enrollment | przyjęcie na studia |
| an integral part of sth | nieodłączny element czegoś |
| subsequent | wynikający z ... |
| remuneration | wynagrodzenie |
| a sound investment | rozsądna inwestycja |

| | |
|-------------------------------------|---------------------------------------|
| the turn of the century | przełom wieków |
| to weigh on sth | zaważyć na czymś |
| a business venture | działalność gospodarcza |
| to perpetuate a trend | utrzymywać trend |
| spiralling | na równi pochyłej |
| a risky investment | ryzykowna inwestycja |
| to reinvest in sth | ponownie w coś zainwestować |
| issues facing graduates | kwestie dotyczące absolwentów |
| corresponding figures | liczby odpowiadające czemuś |
| to gain sth | uzyskać coś |
| suitable level of sth | właściwy poziom czegoś |
| reluctant to do sth | niechętny do zrobienia czegoś |
| to place constraints on sth | nałożyć ograniczenia na coś |
| sth has changed considerably | coś wyraźnie się zmieniło |
| demographics behind sth | dane demograficzne świadczące o czymś |
| in terms of ... | jeśli chodzi o ... |
| to lend itself to sth | nadawać się do czegoś |
| numerous advancement | szybki rozwój |

ANSWER KEY:

Ex. 1

- 1) cumulative debt
- 2) to hinder sb's ability to do sth
- 3) the property ladder
- 4) to exacerbate the situation
- 5) inferior degrees
- 6) to diminish
- 7) to be employable
- 8) misleading
- 9) constraints
- 10) economic stagnation
- 11) severity of sth
- 12) economic implications

Ex. 2

- 1) to pursue higher education
- 2) to carry a debt
- 3) an inevitable consequence of sth
- 4) soaring tuition fee
- 5) a significant improvement
- 6) less than living wages
- 7) to operate independently
- 8) cost of tuition
- 9) to qualify for a loan
- 10) college enrollment

Ex. 3

- 1) an integral part of sth
- 2) subsequent
- 3) remuneration
- 4) a sound investment
- 5) the turn of the century
- 6) to weigh on sth
- 7) a business venture
- 8) to perpetuate a trend
- 9) spiralling
- 10) a risky investment
- 11) to reinvest in sth
- 12) issues facing graduate

Ex. 4

- 1) g.
- 2) c.
- 3) j.
- 4) e.
- 5) i.
- 6) a.
- 7) b.
- 8) d.
- 9) f.
- 10) h.