

# Disrupting Higher Education



## SUMMARY

The rising cost of tuition, taxpayer-funded student loan forgiveness, and the disconnect between college graduates' skills and employers' needs have led many to question the value of a college education. Too many students take on massive debt, only to struggle in a job market that prioritizes skills over degrees.

At the same time, alternative pathways like apprenticeships, microcredentials, and on-the-job training offer practical experience without the financial burden of college.

These options connect students directly with employers, ensuring they develop relevant, in-demand skills.

More industries recognize that experience and competency matter more than a diploma. Tech companies, trade professions, and business fields now prioritize hands-on knowledge over formal education.

To prepare for the future, we should expand these alternatives while also reducing the time and cost of traditional degrees.

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**Higher education should generally be shorter, cheaper, and transparent. Alternatives should be promoted as viable options.**

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For those who came of age at the beginning of the internet, they may value a college degree. They were led to believe that college was a way to the good life. The standard pattern was graduate high school, go to college, find a good paying job, and save for retirement.

But even then, this pattern produced passive consumers—people who waited for employers to give them the raise they thought they deserved, looking forward to retirement so that they could enjoy the fruits of their labors.

Some of that generation are still paying off college debt as their own children enter college.<sup>1</sup> Not only that, but many employees are looking for ways to exit the corporate world, and to find something meaningful.<sup>2</sup>

Gen Z is both seeing and acknowledging all of these issues. Gen Z grew up in the era of life hacks, so they are accustomed to seeking the most efficient way to achieve their goals. Some think

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they lack direction, and in some ways they do—they’re looking for meaningful work.

This pattern of “grow up, go to college, get a good job” is broken. And Gen Z wants out. They want meaning in life. Here are some of the major hurdles current college students need to address.

## The Problems with Higher Ed

**Skills Gap:** College Isn’t Preparing Students for Today’s Jobs: As of March 2024, there were 8.5 million job openings across the US, many of which need some form of skill that can’t be learned in college.<sup>3</sup> The lack of relevant skills to match these jobs is what we call the “skills gap.”

The Harvard Business School<sup>4</sup> and The Association of American Community Colleges<sup>5</sup> reported that, “Employers complain they cannot find the talent they need—in terms of quantity, quality, and diversity.” They are right. And it isn’t clear that colleges or community colleges are preparing the workforce for the jobs that are available.

While some professions, like medicine or law, still require traditional degrees, most jobs rely on skills that can be learned through alternative pathways.<sup>6</sup>

**College is too long and too expensive:** College tuition has

outpaced inflation over the past 50 years.<sup>7</sup> Government-guaranteed loans remove incentives for colleges to keep tuition affordable, while the lack of bankruptcy protections for students exacerbates the problem.<sup>8</sup>

There is currently \$1.75 trillion dollars in student loan debt. Forgiving this

student debt shifts the financial responsibility to taxpayers, because these loans are guaranteed by the government through tax dollars.

But college tuition isn’t the only cost. A bachelor’s degree, often thought of as a four-year degree, is taking on average six years to complete.<sup>9</sup> That time could be spent earning money and experience instead of going into deeper debt.

**Accreditation:** The accreditation process creates an imbalance in the higher education system. Accreditation began as a voluntary process, a way to distinguish a university from its competitors.

We have a similar process today in other areas of our lives. Consumer Reports, for example, provides valuable information to consumers on the products they purchase.

But the accreditation process went sideways when the government started requiring degrees from accredited universities for licenses. When accreditation became a licensure requirement, it shifted from a mark of quality to just another box to check, losing its true purpose.

Instead, accreditation has become a way to entrench the status quo. Very few new or innovative universities or other models are approved through this process.<sup>10</sup>

In addition, accreditation is required for universities to receive federal student loans.<sup>11</sup> Libertas Institute doesn’t support government guaranteed loans, but requiring accreditation to receive them further manipulates the higher education marketplace.

These two hurdles create huge barriers to entry for models outside of traditional college.

**Politics:** Students come from a wide range of backgrounds. Why they attend college and what they want to learn vary from student to student. Too often, what students want to learn is different from what is actually being offered.

Furthermore, colleges have lost the confidence of the public.<sup>12</sup> Many point to politics being the most likely reason for this loss of confidence.<sup>13</sup> This becomes a misalignment of values for students and their parents when looking at their child's future.

**Mission Misalignment:** Many college students go to college for very different reasons than what universities say is their mission.

According to one survey, the top three reasons students go to college are to follow their passions, create a better life for themselves, and improve their income.

But a cursory glance at various college mission statements revealed that colleges are not aligned with what students want. They say things like “advance new ideas”<sup>14</sup>, “development of human beings and society”<sup>15</sup>, “advance knowledge”<sup>16</sup>, “discover, preserve, and disseminate knowledge”<sup>17</sup>, “be a premier land and space grant institution”<sup>18</sup>, and “promote diversity and equal opportunity”.<sup>19</sup>

One school seemed to align with why students go to college stating they are “cultivating successful students... who go on to be successful in their next steps”.<sup>20</sup>

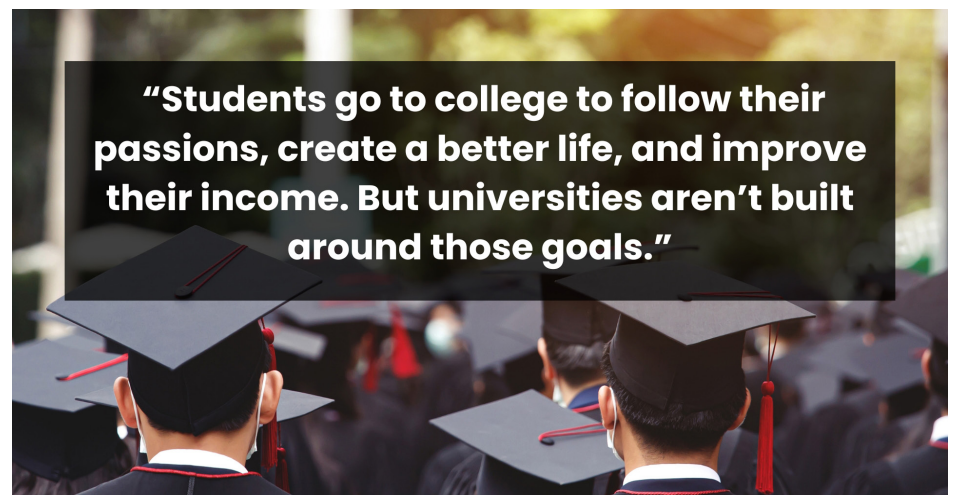
But even this statement is vague and only seems to be tangentially related to student interest.

When interviewed, one student said that there was considerable interest in an entrepreneurship course offered by their university. However, on the first day of class, the students were informed that the course would not actually teach them to become an entrepreneur.

**Student maturity:** Some students may not be ready for college.<sup>21</sup> Taking a gap year before committing to college has proven helpful to many young people. This gap year allows students to explore their interests without the burden of debt. These same students get a chance to

Why are generals required? While some students may be exploring their interests at college, it doesn't make sense to force an engineering major to take a fine arts class. The student clearly has chosen a path and should be allowed to pursue that path.

Generals have become a box checking measure that students must complete. They are attached to the minimum number of credit hours accreditors require for graduation.<sup>22</sup> From the outside, it looks like a mandated upsell of credit hours that nobody wants. The number of required general courses can be cut in half and still achieve the desired goal of introducing students to a variety of academic topics.



experience being on their own, finding a job, and exploring careers.

It allows them to gain life experience before committing to the burden of college debt.

**General Waste of Time:** While general education courses aim to create well-rounded graduates, they often delay degree completion and can be as much as 40-60 credit hours, or one third to half of a degree.

**Unprepared for the workforce:** Today's college graduates feel unprepared for the workforce.<sup>23</sup> In fact, Cengage reports over half of college graduates in 2021 didn't apply for jobs because of these feelings of inadequacy. An Intelligent report states that 77% of graduates did feel prepared.<sup>24</sup>

However, 60% had difficulty in the interview process, and 87% reported challenges in the workplace. If they



are feeling so prepared, why are they struggling so much at work?

Considering the reports shared earlier, this is a clear indication that what students expect from their degree and what colleges actually provide are disconnected. The goals of the students include preparation for their careers, but colleges are not delivering.

## Band-Aid Solutions

Many in higher education know there is a problem. But their solutions don't go far enough or will further perpetuate the problem.

**3 Year Bachelor's Degree:** Some universities realize that the market for higher education is shifting. In an attempt to meet the changing market demand they have worked with their accrediting body to create a three year bachelor's degree instead of the standard four years.<sup>25</sup>

While this does address the desire of some students to finish school faster, it still does not address the misalignment of student expectations and what the universities are actually offering. These programs

still leave students unprepared and disillusioned.

## Student Loan Forgiveness:

Some advocate for the forgiveness of student loans to address the expensive nature of a college degree. Loan forgiveness shifts financial responsibility to taxpayers without addressing the root causes of rising tuition.<sup>26</sup>

Student debt forgiveness does not change the rate at which universities charge tuition.<sup>27</sup> As mentioned above, college tuition has outpaced inflation over the past fifty years. Forgiving student loans will not reduce the cost of college. It incentivizes colleges to maintain or even raise tuition rates, perpetuating the cycle of student debt and inflated prices.

## Student Voices

We interviewed a group of college students to get their perspective. One student stated that college felt like a necessary step to finding a career. Most stated that it provided opportunities for a better job.

Many were encouraged by their families to attend college. But almost every student we spoke to indicated

that they would like a cheaper and faster option to get a degree.

These individual interviews are consistent with the data. They indicate a desire to prepare for the workforce and to show their potential to possible employers.

## What do business owners think?

Business owners do not think that college graduates are prepared for the workforce. CBS reported that 4 in 10 business owners report college graduates as unprepared.<sup>28</sup> Many businesses are needing to "re-skill" new hires in order to address the talent gaps that they see in their pool of potential employees.<sup>29</sup> There are many articles in business media talking about how to hire and keep Gen Z workers.

According to Harvard Business Review, one of the main problems with college is that it doesn't match the work environment.<sup>30</sup> They report a disconnect between colleges and the workplace. In their words, "This archaic (education) system simply no longer works in our modern world."

## If not college, then what?

If high school students are going to abandon the higher education system, then what will they do instead? This is a valid question.

In order to answer it, we must first explore why business owners, high school students, and parents valued a college degree in the first place.

The purpose of a degree is to signal to employers that you have a certain level of knowledge and skill that they can use in their business. But this is

**"Colleges are not matching what students need or what businesses expect."**



far from the only means to indicate employability. Trade certifications and actual work experience related to the position are also signals. In many instances they may be a stronger signal than a college degree.

In fact, James G Martin Center found that work experience, not college, prepared students better for the workplace.<sup>31</sup> Here are a few alternative ways to think about post-high school learning.

**Gap years** have become more prevalent in recent years. Gap years are a period of time (typically a year, but could be longer) in which students explore the world around them.<sup>32</sup>

Some students attend college to explore their interests. However, a gap year provides a similar opportunity, but is a far less expensive way of giving students real world experience.

Students participate in programs and internships, and meet with counselors to explore their interests and set goals for the future. A student can do this on their own, or they can join a program designed to help them navigate the gap year.

**Microcredentials** are becoming more popular for some employers, especially in the tech industries. A microcredential is a short (less than half a year) program where students learn certain industry terms and skills in a variety of work sectors. In tech, microcredentials like Google's Career Certificates are opening doors for students without degrees.

**Internships/Apprenticeships:** Universities offer internships for some degrees, but not all. These internships should be expanded and improved, providing more work

experience for young people to signal their learning.

Beyond that, apprenticeships could replace certain degrees and certification programs to train young people in many fields. Apprenticeships were common practice prior to World War II. The trades still use this term to indicate a new learner.

Internships offer another route to learning. This process is famously shown by Chris Gardner in his autobiography, "Pursuit of Happyness". Chris spends a year learning how to be a stock broker

mentioned earlier, many professional industries already plan to re-skill their employees. Governments would do well to recognize this process for certifications and licensure.

**"Hack" College:** It is possible to earn a bachelor's degree from an accredited university in as little as twelve months at a cost of \$6,000.<sup>33</sup> Programs like College Hacked help students navigate this process for even better results.

Many universities prevent this option by denying credits from similar classes offered by other programs. Policies

**"High schools should let students explore careers through real-world experience—not just textbooks."**

by spending six months learning the business from the company Dean Witter Reynolds. They even prepared him to take the state mandated exam. But they didn't require a finance degree.

Internships and apprenticeships should be significantly expanded to provide more hands-on learning opportunities for young people. High schools could integrate a rotation of these experiences into the regular school day, allowing students to explore careers through real-world experience while still in school. The Catalyst program in Davis School District is a good example of what this could look like for public schools.

**On The Job Training:** Some businesses already provide on-the-job training for their talent development. As

should be put in place requiring any university to accept these credits, especially if those credits come from an accredited source.

In addition, programs similar to Western Governors University (WGU) should be promoted. WGU charges students for a period of time rather than a per credit tuition. This incentivizes students to complete as many courses as possible in their paid time frame, dramatically reducing the amount of time it takes to get a degree.

One student was able to get a Master's Degree from WGU in a year for \$7,000. A similar degree from a traditional university would have taken two years and cost anywhere from \$12,000-\$20,000.

## PROPOSED POLICY SOLUTIONS

### Proposal 1: Make earning college credits easier

**Part A:** Require colleges to accept credit-by-exam for all general education requirements.

Students deserve affordable, flexible ways to complete college faster without sacrificing quality. Credit-by-exam offers this pathway. Most students are not interested in many of the general requirements and would like to get them over with as quickly as possible.

Credit-by-exam means that a student, instead of taking a course, can take the final-like exam for the course. So long as the student receives a passing grade, the university would give credit for the course. Exams of this nature cost a fraction of the total cost of tuition and fees for the entire course. This option will save students thousands of dollars and can knock one or two years off of the amount of time it takes to complete their degree.

**Part B:** Require public universities and colleges to accept all transfer credits from other colleges and universities as credit towards graduation.

All universities can already accept any amount of transfer credits and apply the courses towards graduation. Often the courses cover the same or close to the same material. But many reject the course credit or only offer elective credit for the completed courses. This adds to the time and money a student must spend in order to complete a degree.

Although the Utah System of Higher Education is streamlining courses within the system, credits from outside of the system should also be accepted.

Most universities limit the number of credits one can transfer into a degree. This limit should be removed to allow students from outside the USHE system to transfer any number of credits into the Utah school.

If the university has a question about a certain class and how it could be applied, they should allow the student to take a credit by exam for the course. This will provide enough information for the university to provide graduation credit. Credit transferred from an unaccredited college or university can be offered as a credit by exam option.

### Proposal 2: Allow industries and employers to certify candidates for licensure

Industry-led certification programs provide hands-on experience and meet workforce needs while maintaining professional competency. By integrating real-world training with licensure preparation, this approach reduces reliance on costly educational pathways, making licensure more accessible and aligned with Utah's economy.

### Proposal 3: Remove college degree requirements for state licensure

Removing bachelor's degree requirements from state licensure qualifications will benefit the State of Utah by expanding access to the workforce, reducing unnecessary barriers, and addressing systemic inefficiencies in higher education. Many licensure paths already require candidates to pass rigorous state exams, which ensure that individuals possess the knowledge and skills necessary to perform their duties competently, rendering the degree requirement redundant.

Additionally, requiring a bachelor's degree perpetuates a flawed system in which students often incur significant debt to obtain credentials that may not directly correlate with their job readiness or performance. By eliminating this requirement, Utah can open doors for capable individuals from diverse educational and professional backgrounds.

## Endnotes

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*For the remainder of the endnotes, please visit [Libertas.institute/disrupting-higher-ed-notes](https://libertas.institute/disrupting-higher-ed-notes)*

PUBLIC POLICY BRIEF

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FREQUENT  
RECURRENCE

===== TO =====

FUNDAMENTAL  
PRINCIPLES IS  
ESSENTIAL

===== TO =====

THE SECURITY

===== OF =====

INDIVIDUAL  
RIGHTS

UTAH CONSTITUTION  
ARTICLE I, SEC 27