

# Public investment in education has a long history of economy-wide benefits

While much of the debate over the farm bill is focused on commodity, environmental, and nutrition policies, they are not the only issues that affect the quality of life in both rural and urban areas.

The issue we want to focus on in this column is the funding of land-grant universities and colleges. Admittedly, we come to this issue with a bias; both of us graduated from land-grant universities (Daryll, Iowa State University; Harwood, The Ohio State University). In addition, Daryll spent his whole career working within the land-grant university system and Harwood for 16 years. We have experienced the system from the perspective of students, staff, and faculty.

In recent years we have been dismayed by the significant decline in the share of the cost of operating these land-grant institutions being borne by the federal and state governments. The result of this has been the increasing dependence of these educational institutions on student tuition, grants (public, charitable, and commercial), and philanthropy.

From our perspective, the most critical issue to be addressed is the increasing dependence of land-grants and other public institutions of higher education on student tuition. We were both able to graduate debt-free even though we received minimal financial support from our families. Tuitions were low, student employment was available, and the funding from the state and federal governments were a higher portion of the cost of operating these schools.

By way of contrast, many of today's students are completing their undergraduate education owing \$30,000 to \$50,000 or more. With that level of debt load we have seen them delaying the purchase a house and getting married. As a result, student debt retards economic growth as they pay off their loans instead of fully entering the consumer economy.

Before looking further at the debt issue, we want to take a jaunt through US history. Before the Civil War, part of the economic vitality of the North compared to the South can be attributed to differences in the educational systems of the two.

The North had a system of public education that provided basic math and reading skills to most youth. By way of contrast much of the education in the South was a function of the wealth of the parents. Poor whites could afford little more than apprenticeship at the hands of their parents or neighbors and slaves were denied an education.

Beyond New England, widespread public education was a result of the Land Ordinance of 1785 which described the platting of land north and west of the Ohio River and east of the Mississippi River. The land was surveyed into 6-mile square townships containing 36 numbered sections. Part of the ordinance reads, "There shall be reserved the lot [section] No. 16, of every township, for the maintenance of public schools, within the said township." A school was often built on that section and the remaining land was sold or rented out to provide funds to build the school and pay the teacher. School boards were established by township residents who managed the operation of the school.

This pattern of land subdivision was reaffirmed in the Northwest Ordinances of 1787 and 1789 and later extended to much of the rest of the country. Free public education was a responsibility of governmental units. At the turn of the 19<sup>th</sup> century, the demand for educated citizens to meet the needs of an increasingly technical economy, resulted in the establishment of high schools. These were often located in county-seat towns and were paid for by the county or local board of education. Children who lived on more distant farms may have had to stay with a

family in town and work for their room and board, but the cost of their education was borne by a unit of government.

Part of the vigor of the Post-WWII boom in the US can be attributed to the GI Bill which paid for the post-secondary needs of returning GIs. Some attended technical schools while others attended colleges and universities earning degrees that would provide them with the knowledge and skills that would enable them to make a positive contribution to growth of the US economy and the development of a solid middle class in the 1950s and 1960s.

As the needs of the national community and economy have increased, so too has the availability of a free public education. Initially it was an 8<sup>th</sup> grade education, then a high school education. Today, with a post-secondary education a virtual necessity, we believe it is time to follow the pattern and begin the process of making the funding of land-grants and public colleges, universities, and technical schools a public responsibility.

There is already some experimentation around the edges. In Tennessee, students who graduate with a 3.0 or higher grade-point average are offered “two years of tuition-free community or technical college.” Members of the armed services still are eligible for GI Bill benefits. But, we need to do more.

Increased funding for land-grants and other public institutions of higher education should be a priority of the federal and state governments. While individuals benefit from a post-secondary education, as we have seen over more than two centuries, the greatest beneficiary of this investment is society as a whole.

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