BOOK REVIEW

INDEBTED: HOW FAMILIES MAKE COLLEGE WORK AT ANY COST

CAITLIN ZALOOM

PRINCETON: PRINCETON UNIVERSITY PRESS, 2019, VIII + 267 PP.

JEFFREY DEGNER*

In early spring, the scene repeats itself in households throughout America. A high school senior rushes home to open the mailbox and feverishly empties it, waiting for that fateful word from the admissions office from the college or university of their choice. This form of spring fever is filled with the an even greater level of anxiety than the “promposal” and has far reaching consequences for the future hopes, dreams, and financial standing of these students and their families. What happens after the exhilaration of receiving a favorable reply from the admissions office is the focus of Caitlin Zaloom’s *Indebted: How Families Make College Work at Any Cost*.

The upshot of Zaloom’s work is to describe the agonizing financial decisions that families have to make, both before and after an admissions office has sent the all-important acceptance letter. For

* Jeffrey Degner (jeff.degner@cornerstone.edu) is assistant professor of economics in the Business Division at Cornerstone University.

many in the US, the most important letter they are waiting for is not from the admissions office, but rather from the financial aid office of the college or university they wish to send their precious children off to. The self-styled “economic anthropologist” (p. 203) dives into the depths of parents’ and students’ concerns as they navigate the economic environment surrounding their college experience.

Zaloom gives a compelling anthropological vision of the struggles that families face in providing financial support to their undergraduates. But even more astounding than these heart-wrenching stories is Zaloom’s lack of economic understanding of both the causes and solutions to the difficulties that families face in funding the higher education of their children.

The positive aspects of *Indebted* are found in the method of discovering what families are thinking as they seek to finance higher education. Zaloom admits the potential drawbacks of the interview-based approach while defending its strengths. This is a fair admission, as it describes the fundamental problems that accompany anthropological methodology. Specifically, she is concerned about the lack of communication and understanding about family finances that exists between children and parents. As a solution to what she saw as students’ lack of knowledge regarding family finance, she sought out further interviews with the parents of those students. This was certainly a good adjustment, and led to some intriguing anecdotes and data points.

In the opening chapter, Zaloom explains the anthropological method of interviewing middle-class families, whom she defines as those who “make too much money or have too much wealth for their children to qualify for major federal higher education grants, and if they earn too little or possess insufficient wealth to pay full fare at most colleges” (p. 4). What she discovers is that such families view financing higher education as both a moral and economic imperative. She rightly points out that higher education financing is a type of speculative investment which aims to keep children in the ranks of the middle class or hopefully make them better off. Zaloom calls this reality a form of “social speculation.” This form of speculation is a foundational expression of what motivates parents to send their young off to the higher education system (p. 27).

When Zaloom begins to write about the “moral mandates” surrounding higher education funding, she takes on a tone of

indignation. She laments that due to the financial pressures of college funding parents are forced to remain in the households where their children live. In one section of chapter 3 entitled "Gaming the System," she describes how some families have evaded the seemingly unfortunate cultural norm of biological parents living with their children. She recounts the story of a student whose parents divorced when the student was young. The adults parted ways and the father, who apparently wished to avoid making child support payments, produced as little income as possible. Meanwhile, the mother entered a lesbian relationship and the child lived in that household under a dual custody arrangement. When the mother and her partner suspected that they would make "too much" income to receive substantial federal aid, they agreed to falsify the child's residency statement on the Free Application for Federal Student Aid (FAFSA) and to claim that the child was residing with the deadbeat father for the majority of the time. This falsification afforded the child a beneficial federal aid package that allowed the child to attend college. Zaloom carefully avoids making any kind of moral judgment on this sort of fraud. Instead, she describes it as an example of finely tuned and shrewd use of "bureaucratic skill" to sidestep the alleged injustice of the FAFSA's implied expectations regarding nuclear families and savings. Furthermore, she bemoans the fact that the FAFSA form and the "student-finance complex" do not sufficiently provide for such living situations (pp. 87–89). The indifferent tone that the author takes towards such perverse incentives is one of the more remarkable features of the book.

Zaloom isn't just frustrated by the "moral mandate" regarding family structures. She also expresses frustration that families are "subjected to moral instruction" that might require them to consume less and to save money. This surly tone reaches a crescendo at the close of chapter 3, when Zaloom claims that middle-class values regarding personal privacy conspire with the state to impose oppressive "moral mandates that press, silently but powerfully, on students and their families" (p. 94). The dramatic tone certainly befits a narrative that seeks to expose injustice. However, it fails to help the reader understand the true injustice and the true causes of the price increases that are faced in higher education.

In her chapter entitled "Enmeshed Autonomy," Zaloom decries what she calls a shift in political morality that has put the financial

responsibility on the shoulders of middle-class families. This statement raises the question: in which era in US history did families did not finance higher education? Although she never answers this question, she does begin to attack the view of education as a form of human capital formation. It is with this criticism that she begins to unveil her fundamental economic error. Decrying the idea that a college education primarily benefits the individual and their family, she claims that this view was a novelty of the 1980s and that prior to this college education was viewed as a public good. Providing no evidence that this was the case, she begins to blame the rising price of tuition on alleged cuts to state-based grants and an alleged failure to live up to this public good ideal.

Zaloom plants the seed to convince the reader that college education ought to be considered a public good in chapter 2, “Best-Laid Plans.” In it she cites a single study by the allegedly nonpartisan Center on Budget and Policy Priorities (CBPP) (Mitchell, Leachman, Saenz 2019). She claims that the study demonstrates that state-level support for colleges and universities began declining “as early as the 1960s” (p. 39), when in fact the CBPP study only records funding from 2008–18. This data set simply cannot be used to support such a sweeping claim. Furthermore, two days prior to the CBPP report’s release (which only used ten years of data), a study presented by the Texas Public Policy Foundation (TPPF) took data from the same source and traced it further back, to 1980, when Zaloom’s alleged “political morality” shift took place. What the TPPF found (using the admittedly questionable CPI-U measurement) was that for over thirty-eight years funding had increased by four dollars per student in real terms (Gillen 2019). Although the longer-range data shows little change over several decades, what is striking is that both studies agree that average per student funding had been cut by over \$1,000 from 2008–12, during the recession years. Zaloom’s use of the CBPP study while ignoring the TPPF’s broader study—which was released at virtually the same time—does not lend credibility to her specific economic claims.

Chapter 5 details the challenges presented in terms of “Race and Upward Mobility.” Zaloom gives a brief historic tour of how private citizens and abolitionists began the process of educating former slaves and their children in the historically black colleges and universities (HBCUs). Zaloom surprises the reader by detailing how

the introduction of the Higher Education Act (HEA) of 1965 actually served to make college less affordable for African Americans. That legislation, signed by Lyndon Johnson, further guaranteed direct federal support for HBCUs. Zaloom then describes how the HEA has actually coincided with the disproportionate debt load carried by black students today. In fact, despite the HEA's promise of college affordability for minorities, it has saddled minority students and their parents with unprecedented amounts of federal debt (pp. 125–30)

Reflecting positively on her claim to be an economist, Zaloom admits that these promises of federal aid going toward HBCUs caused them to experience a boom. What she fails to note is that this led to HBCUs raising their tuition prices while failing to attract the endowments that traditionally white colleges experienced. So, within fifteen years of Johnson's legislation, HBCUs had become dependent on such funding, and the need for individuals and families to borrow to meet these escalating prices (which were caused by the HEA in the first place) meant ever-increasing debt for minority families.

This phenomenon led to the introduction of the Parent Loans for Undergraduate Students (PLUS) program, introduced by the Clinton administration in 1994, which would simply exacerbate the policies set in place by Johnson nearly thirty years earlier. Although she briefly mentions this legislation, Zaloom again fails to observe the basic economic reality that when demand increases with the help of government-backed credit while supplies of enrollment spots understandably remain inelastic, the rate of increases in tuition prices will outpace the promise of the initial lending amount.

Despite her egregious lack of economic understanding, Zaloom does reveal the pain that this predictable economic phenomenon causes among minority families. This is one of the strengths of her work as she paints a vivid picture of the lack of purchasing power that is visited on these families. On the other hand, Zaloom's fifth chapter also emphasizes her most consistent flaw. Specifically, she fails to make the connection between the federal government's promises of affordability through aid of various types and the inevitable price increases that they incite in the factor markets for higher education. Instead, she blames the unsubstantiated shift in political morality for the fact that tuition prices outpace other prices in the economy. This sort of vague attachment of changing mores to price

increases is an unfortunate feature that reckons Zaloom as a very good anthropologist but as an utter noneconomist.

“Cultivating Potential” is the chapter in which the author raises the question of the ultimate purpose of the college experience. In short, Zaloom rejects the notion that the purpose of college is to equip oneself for gainful employment. She belittles the idea, saying that it requires students to “commit to a career path and stick with the jobs that corporations need them to do,” as though this were a negative for the student or for society. On a positive note, Zaloom does identify the spurious notion that a liberal arts education prevents students from obtaining work for the fallacy that it is and hails employers’ increased demand for the “soft skills” that many liberal arts students provide in spades. Zaloom stops short of saying that the purpose of college is for young people to “find themselves.” Instead she writes with some nuance, saying that its purpose is to “liberate them to nurture the potentialities” that they might possess. In the same paragraph, she moves ever so slightly toward the real culprit of oversized college prices, concluding that “The debt loads and repayment schedules with which they contend are the result of political choices.” This tantalizing economic statement is never followed through, however, as she once again fails to identify the causal relationship between promises of government-backed loans and their causal link to inevitable price increases (pp. 162–70).

This failure to understand the economic causes and effects finds its final disappointment in the concluding chapter, entitled “A Right to the Future.” As the language suggests, Zaloom views the private good of a college education as a public good. This simple but devastating economic error has its roots in externality theory, which claims that if the benefit to society outweighs the costs to it, the public should foot the bill. Unfortunately, this form of analysis is shattered by Zaloom’s own definition of the benefit of college, which is to create the mere, “*possibility* of intellectual growth, *solidarity* among peers, and ultimately... unconstrained *prospects*” (emphases added). If this is in fact what the benefit of a college experience amounts to, even as an ideal, it’s no wonder that Zaloom admits that such an outcome should require forced taxation and redistribution (pp. 190–92).

The strengths in this work are found in the stories of real families and their experiences. These stories would be better used to attack the systems that have actually caused a boom in the prices of tuition, room and board, and textbooks. This requires theoretically and empirically accurate economic conclusions, which Zaloom fails to provide. What would be most beneficial is for economists to explain the causal nature of how government-backed payments for private goods that have inelastic supply (whether through taxpayer funds or by inflationary fiduciary media and lending) drive price increases. The politically motivated promises of payments that cause the heart-rending stories that Zaloom provides are the real story of “economic anthropology” that needs to be told.

REFERENCES

- Gillen, Andrew. 2019. “State Disinvestment in Higher Education is a Myth.” Texas Public Policy Foundation, October 22. <https://www.texaspolicy.com/state-disinvestment-in-higher-education-is-a-myth/>.
- Mitchell, Michael, Michael Leachman, and Matt Saenz. 2019. “State Higher Education Funding Cuts Have Pushed Costs to Students, Worsened Inequality.” Center on Budget and Policy Priorities, October 24. <https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students>.