

Free public education that pays for itself?

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Education funding, particularly at university level, is tighter than ever under current austerity measures. A new study published by SAGE in the journal *Theory & Research in Education* proposes a radical new approach that offers affordable higher education to all, and yet avoids additional government spending.

"Public [higher education](#) should be absolutely free at the point of entry for everybody. What would be required from each student is a promise," says the author, Dr Mark Reiff, Senior Lecturer in Law at the University of Manchester, UK.

This promise means that students would commit to paying a fixed percentage of their income (6%) during their prime earning years (35-54 for example) to the university that awarded their degree. Reiff's proposal sees these student promises for a given university cohort bundled and sold to investors as "education securities." Investors would receive a share of the average income for the cohort.

Because average income moves with inflation, investors would be assured of getting their initial investment back plus whatever amount is necessary to cover changes in the value of their money. The securities could even be designed to include a real return (over inflation) of as much as 3%. Universities would be paid in full when the securities were offered, no one would be required to incur debts, and people both at home and abroad would have a new, safe place to put their money.

This debt-free system appeals to both the political left and right, and

would relieve the government of the burden of financing public higher education. Students would be free to pursue whatever occupation they wanted, without the pressure of having to be sure they could pay off their student loans. The cost of their degree would directly relate to their ultimate earning power. And the percentage-based system means that nobody would pay more than they could afford.

"Instead of using the financial services industry to create weapons of mass destruction, we would be using it to create investment vehicles of mass education. And everybody will benefit from having an educated populace, for education, once obtained, can never be repossessed."

More information: "How to pay for public education" is published in *Theory & Research in Education*.

Provided by SAGE Publications

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