

waste areas weren't adequately cleaned up. But when the price tag for the average Superfund cleanup is \$43 million without producing measurable results, Benjamin contends, Americans should face a painful conclusion: The "Superfund program is failing and it is time to stop pretending otherwise."

POLITICS & GOVERNMENT

The Higher-Ed Bubble

THE SOURCE: "Will Higher Education Be the Next Bubble to Burst?" by Joseph Marr Cronin and Howard E. Horton, in *The Chronicle of Higher Education*, May 22, 2009.

AFTER THE COLLAPSE OF THE dot.com and housing markets, will the next irrationally inflated bubble to burst be higher education?

Educators Joseph Marr Cronin and Howard E. Horton think it might. With tuition, fees, and room

and board at dozens of private institutions now topping \$50,000 a year, some parents are questioning whether it is worth \$1,000 a week to send their kids to college. The middle class has traditionally paid for higher education through loans, but home equity has withered and jobs are at risk. Congress recently raised the Pell grant limit from \$4,731 to \$5,350 a year. Potentially a big deal for the federal budget, the increase doesn't even cover an extra week at some private universities.

College tuition and fees have increased 440 percent over the last quarter-century, more than four times the rate of inflation. And even demographics are conspiring against the current college finance model. The "baby-boom echo" that flooded so many colleges over the past few years crested with this year's high school senior class. From here on, enrollment is downhill for the foreseeable future. The state of Vermont expects to turn out 20 per-

cent fewer potential college freshmen by 2020, report Cronin, former Massachusetts secretary of educational affairs, and Horton, president of New England College of Business and Finance.

Cheaper alternatives to traditional higher education are increasingly available. The University of Phoenix now teaches upward of 300,000 students a year, half of them online. Applications to community colleges and other public institutions have already risen dramatically. Some former college presidents are proposing year-round school so that expensive facilities get used 52 weeks a year, instead of only about 30, and others are calling for three-year degrees.

Critics have highlighted the mounting costs of higher education for 30 years without having much impact. Maybe, the authors say, the economy is now in dire enough shape that the warnings will take.

ECONOMICS, LABOR & BUSINESS

Broadband Hype?

THE SOURCE: "The Internet and Local Wages: Convergence or Divergence?" by Chris Forman, Avi Goldfarb, and Shane Greenstein, and "The Broadband Bonus: Accounting for Broadband Internet's Impact on U.S. GDP" by Shane Greenstein and Ryan McDevitt, summarized in the *NBER Digest*, April 2009.

IT SEEMED INTUITIVELY OBVIOUS: If you made high-speed access to the Internet available in

sparsely populated areas, rural America would enjoy the same sort of economic boost that urban America did when broadband largely replaced slower dial-up Internet access during the last 10 years. Notably, it seemed obvious to President Barack Obama, whose \$789 billion economic stimulus bill

enacted by Congress in February included up to \$7.2 billion in grants and loans to expand high-speed access in remote corners of the country. A strong economy, Obama said, "means expanding broadband lines across America, so that a small business in a rural town can connect and compete with their counterparts anywhere in the world."

But as is sometimes the case, what seems obvious may in fact be wrong. Chris Forman, Avi Goldfarb, and Shane Greenstein, of the Georgia Institute of Technology, the University of Toronto, and