

Educators warn of degree fads Credit cards sink students in debt

by Rebeca Rodriguez
Knight-Ridder Tribune

Engineering and computer science degrees are as hot as ever despite the dot-com bust, but a quieter concern is smoldering at some Texas universities.

Liberal arts programs at many schools have been declining or holding steady for years, and fields like English and history have had to struggle for funding and students, said Marshall Hill, assistant commissioner for universities at the Texas Higher Education Coordinating Board in Austin.

The dual trends raise the question of whether universities are merely incubators for future workers or places where young minds can discover and grow for the sake of learning.

"The national rhetoric is that higher education is a place to prepare people for the work force," Hill said. "The core curriculum is becoming increasingly more practically oriented than liberal arts-based, and work-readiness is stressed during the last two years."

Downward trends in the dot-com industry have not deterred thousands of Texas students from enrolling in computer science and engineering programs at such schools as Texas Christian University in Fort Worth and the University of Texas at Arlington. In fact, many students are returning to school to get advanced high-tech training to remain competitive.

Although the bust got a lot of news media attention, the dot-com industry represents a small portion of the overall high-technology field, said Dana Dunn, vice president of academic affairs at UT-Arlington.

"Frankly, it's never been the stable nuts-and-bolts professional base that these disciplines fuel," Dunn said.

Basing one's degree program on market forces isn't smart, said Curt Ely, assistant dean for enrollment management and student development at the engineering school at Southern Methodist University in Dallas.

"If a student thinks that they're going to insulate themselves from layoffs by changing out of engineering, they're kidding themselves," he said.

No industry is immune to layoffs, and high tech is still head and shoulders above other industries in terms of its job offerings and salaries, he said.

"Even with the current layoffs, high tech has created more high-paying jobs than any other industry," he said. The unemployment rate for electrical engineers before the dot-com drop-off was about 0.4 percent, Ely said, whereas now it's about 1 percent. That's still much better than the state average of about 4 percent, he said.

Much of the stimulus for continued high-tech growth and the popularity of high-tech degrees comes from what Ely called a technological cat-and-mouse game between software and hardware developments.

For example, the introduction of Microsoft's Windows 95 operating system led a wave of software programmers to enter the field. In the early '90s, hardware moved to the forefront when 386 and 486 processors were scrapped for the faster Pentium chips.

That trend also occurs in other fields, Ely said. For example, when space shuttle Challenger blew up in 1986, enrollment in aerospace engineering departments in-

creased dramatically. And shortly after the Exxon Valdez Alaskan oil spill in 1989, students clamored for training in the environmental sciences, Ely said.

Ultimately, students should try to choose fields that match their abilities and long-term goals, rather than picking what's popular at the moment, he said.

Computer science and engineering are still strong majors at TCU, as well as communications, political science and business. Though those are good majors, they may not provide a student with the wide range of skills he or she needs in life, said Mary Volcansek, dean of the college of humanities and social sciences.

She pointed out that students today are likely to have several careers in their lifetimes.

"Critical reading, analytic thinking, these are the skills that one develops and that become honed in a liberal arts program," she said. "This is the last time in most students' lives until they reach their 50s or 60s that they will have time to converse with the great philosophers, to read the great literature."

But the financial draw of degrees in business or computer science is strong.

"Just look at the Nasdaq," Volcansek said. "I think so many parents are looking at paying a very high tab for college, and they want it to be practical and result in a good first job." Hill, of the coordinating board, said that although employers often say they want people who are broadly educated in a variety of fields, the percentage of liberal arts degrees has continued to decline for several years.

"The reality is, fields like English, history, sociology, geology and anthropology do have to struggle," Hill said. "I personally lament that."

by Rachel Sams
Knight-Ridder Tribune

Florida State University junior Lloyd Spring has only one credit card.

He likes it that way. But that hasn't stopped six other credit-card companies from sending him cards in the mail.

Spring threw them all away. He saw a friend run up a \$5,000 debt on four credit cards in his first semester at school, and he doesn't want that to happen to him.

So he makes sure he has enough money in his bank account to cover any purchases he charges. "For me personally, having a credit card has been good," Spring said. "But for many of the people I know, it hasn't been a pleasant experience."

Having a credit card can be a great convenience for college students away from home -- and from their parents' money -- for the first time. Responsible use of a credit card can be the first step toward building a solid credit history. But, if students don't exercise restraint, credit cards can create problems that take years -- and thousands of dollars -- to fix.

The cards are easy for students to get. Credit-card companies spend lots of time and money wooing students. Many set up displays on college campuses and offer T-shirts or other

goodies for signing up. Or, as in Spring's experience, they send students card applications by mail. Some students sign up for one card after another.

That's their first mistake, financial advisers say. The next mistake many students make is putting purchases on their cards with no plan for how to pay for them later. That's how debt starts to grow.

its sample survey had balances between \$3,000 and \$7,000, and 9 percent had balances of more than \$7,000.

Students' spending habits have made credit cards a big part of the college experience, Moore said. "(Students) have a lifestyle they like to live in college. If you can't work 40 hours a week, it's real hard to go out a lot, have good clothes, be in a fraternity or sorority." But debt is easily avoided, financial advisers say. Just exercise a little restraint and plan ahead.

"I think students should have credit cards for emergency use only," said Liz Akom, certified financial planner with Akom Financial Consultants. "Keep a low credit limit on your card so you're not tempted, and don't charge more than you can pay back."

"Go slow," advises Sunshine State's Moore. "Get one credit card with a low limit, and use it responsibly before you get another one. Shop around for the best rates, and read your agreements closely." Most important, financial advisers say, remember that just because a company offers you a card doesn't mean you have to take it.

"Most students I don't think are prepared to have them," FSU junior Spring said. "But they seem more than ready to give them to you."

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-Mickey S. Moore, vice president and chief lending officer at Sunshine State Credit Union.

"It's getting to the point where it's common for a lot of young people 20 or 21 years old to have two or three credit cards, and student loans, too," said Mickey S. Moore, vice president and chief lending officer at Sunshine State Credit Union.

Statistics back him up. Two recent studies -- a joint survey by the Education Resources Institution and the Institute for Higher Education Policy and a survey by the firm Student Monitor -- found that nearly two-thirds of college students had at least one credit card. Between 6 and 13 percent had four or more credit cards.

How much are students charging on those cards? Student loan provider Nellie Mae reports the average student credit-card debt is \$2,478. Thirteen percent of the students in

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