

ANALYSIS

America has shifted burden of college costs

Past decade has seen families picking up brunt of cost increases

By JUSTIN POPE
Associated Press

YPSILANTI, Mich. — It was a transformation that was, by historical standards, remarkably swift: The decade of the 2000s saw a fundamental shift in how Americans answer the question “Who will pay for college?”

The bill at public universities is higher than ever, and students and their families are footing a greater share of it.

Realizing higher education would be essential to succeed in the emerging economy, Americans aspired and flocked to higher education as never before over the last 10 years. But over that same span, the 50 states did less — much less, factoring in the increased demand — and asked students and parents to do more. That was true even during the flush years in the middle of a decade bookended by two economic downturns.

The federal government, meanwhile, picked up much of the slack, with each of the last three presidents substantially increasing spending. But while the billions Washington poured into student financial aid helped many students, they did little to stem price increases. Low-income students got some relief in expanded Pell Grants, and a massive increase in tuition tax credits has disproportionately benefited families earning over \$100,000. Middle-class families have borne the brunt.

Frustrations over high student debt have been front and center for the Occupy Wall Street protesters. Politicians have noticed, too: On Wednesday, in Denver, President Obama announced a series



A protester holds a ball and chain representing his college loan debt, during Occupy DC activities in Washington.

of steps that would do little to relieve students of the burden of paying for college, but aim to at least protect more borrowers from monthly repayment burdens that would ruin their finances or keep them from choosing public service jobs.

That may be the best the federal government can do in an era when almost everyone wants to go to college, Washington's budgetary well has run dry, and the states either cannot or will not play the same role in supporting public higher education that they have in the past.

A PRIVATE GOOD

“There's been a fundamental and permanent shift in how we see the financing of higher education in the Unit-

ed States,” said Terry Hartle, senior vice president at the American Council on Higher Education. “Increasingly, higher education is seen as being almost exclusively a private good and therefore something that individuals ought to pay for by themselves.”

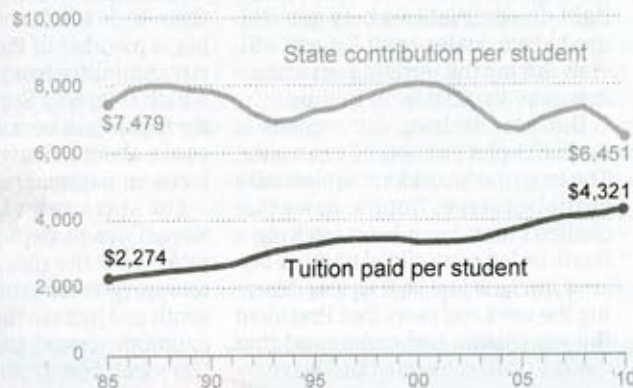
Some lament the change, arguing society benefits when more students graduate and suffers when they don't. States traditionally have supported higher education, they say, and if it's more important than ever, why cut back now?

Others welcome the shift, arguing individuals who most directly benefit should pick up more of the costs. And colleges, they argue, could do more to hold down costs themselves.

On Wednesday, the Col-

College costs up as states slash budgets

Over the last decade, state support for higher education fell 23 percent as budgetary woes force priority shifts, pushing more of the cost burden to students and their families.



SOURCE: National Center for Higher Education Management Systems AP

lege Board released the latest figures on the cost of college, and they were demoralizing enough: Four-year public colleges increased tuition 8.3 percent, and the cost of a full credit load has passed \$8,000. That doesn't count room and board, and hundreds more for textbooks.

THE TRENDS

The trend is more apparent when you look at data from the College Board and other groups for the whole decade:

■ In 2000, fewer than one-third of Americans said college was essential to be successful. Now the figure is well over half, and with jobs scarce, enrollment is surging. Enrollment grew 9 percent during the 1990s; during the 2000s it rose 33 percent, to roughly 21 million.

■ State support, however, didn't keep up. Funding per student rose 6 percent in the 1980s and 5 percent in the 1990s. Then, between 2000 and 2010, state support fell 23 percent after accounting for inflation.

The effects are clearly visible in the prices that public colleges, which enroll 80 percent of students, charged. In the 1980s tuition rose 4.5 percent annually above general

inflation. In the 1990s it rose 3.2 percent. In the 2000s: 5.6 percent.

The pain of the recent increases was magnified by the economy. During those earlier decades, median family income was rising. During the 2000s, the family incomes of Americans declined across the board.

■ In 2000, the states on average kicked in more than \$8,000 per student in higher education on average, and asked about \$3,350 from each student (that's in constant 2011 dollars adjusting for inflation). At that time, just three states, none larger than New Hampshire, asked more from each student than the state contributed.

Fast forward to 2010, and the states' contribution had fallen to \$6,500 per student. The students' share was up to \$4,300. By then, 19 states had crossed the threshold of charging students more than the public contribution.

■ States say they simply don't have the money, and that's partly true. But economists also measure what they call state “effort” to fund higher education — state appropriations for every \$1,000 of average personal income. The figure measures a state's commitment to higher educa-

tion, regardless of wealth. The efforts of states vary substantially, from \$2.44 per \$1,000 in New Hampshire to \$12.73 in New Mexico. But nationally, the average state effort fell sharply during the last decade, from \$7.25 to \$6.11.

“The states are simply funding other priorities,” Hartle said. “They're funding Medicaid, they're funding corrections, they're funding elementary and secondary education.” Higher education, by contrast, “has an awful lot of people who look like paying customers.”

It may be that funding higher education on a mass scale is now beyond the capacity of the states. But if Americans are really so determined to go to college, as they seem to be, someone will have to pay. And increasingly that's been students themselves.

“Looking at 2000-2010, things are bad, really bad, and getting worse,” said Rich Williams, higher education advocate for the group US PIRG. “We saw less than half of students needing to borrow just before 2000.