

THE COST OF COLLEGE

AFFORDABILITY AND ACCESSIBILITY A PART OF STUDENT MONTH AT APS

This fact sheet was compiled by students from Paseo Academy of Fine and Performing Arts, Crossroads Preparatory Academy, and the Barstow School as a part of APS' 2020-2021 Civics Education Initiative.

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The College Board shows that the **price of tuition increased 278% in the past 30 years**, leaving some students with crippling loan debt and prospective students with loaded questions about their future. Is cost a barrier for prospective students, not only those coming right out of high school, but for those who want to return as adult learners? How does college readiness influence a prospective student's ability to make choices about affordability and whether college is right for them? This fact sheet aims to bring context and data on the following subtopic areas: **The Changing Cost of Tuition from 1980-Now, Solutions to Tuition Inflation (the rising cost of college), and Student Opinion on College-Readiness, and Student Loan Debt and Black, Indigenous, and People of Color (BIPOC).**

Please note: This program is a combined effort of APS' 2020-2021 High School Civics Education Initiative, featuring student voices from Paseo Academy of Fine and Performing Arts, Crossroads Preparatory Academy, and the Barstow School. Students from participating schools began this process in the Fall of 2020 with hands-on lessons about: Civility and Everyday Life, Fake News and Combatting the Spread of Misinformation, and Deliberation versus Debate. These lessons acted as a foundation for a Spring 2021 project-based learning experience where students have developed their own APS Style program about a topic of their choosing.

THE CHANGING COST OF TUITION

Since 1990, college prices have more than doubled at private institutions and almost tripled at public four-year colleges. The revenue that colleges receive from students has been increasing, from 32% in 2007 to 43% in 2017. Enrollment has also increased over time, by almost 1 million students in private colleges and 1.6 million in public colleges.

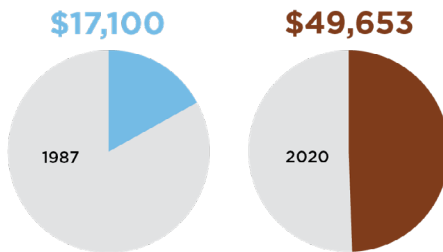
1. <https://research.collegeboard.org/pdf/trends-college-pricing-student-aid-2020.pdf>

There is a difference between the sticker price on a college and the net price. The sticker price is what a college would cost without any financial aid, and it has been rising rapidly since 1990. Yet the amount of financial aid that students receive has also been increasing at a similar rate. According to data from the College Board, since 2006 the net cost of tuition, room, board, and other fees has remained stable.

2. <https://research.collegeboard.org/pdf/trends-college-pricing-student-aid-2020.pdf>

3. <https://www.npr.org/sections/money/2015/09/30/444446022/what-youll-actually-pay-at-1-550-colleges>

A private, nonprofit four-year institution, Harvard, can be used as an example: In 1987 a Harvard student would have spent \$17,100 a year on tuition. In 2020, Harvard students paid \$49,653 a year for tuition.



<https://college.harvard.edu/financial-aid/how-aid-works>

“By 2020, America will once again have the highest proportion of college graduates in the world.” — President Barack Obama

As mentioned on the Department of Education website, ‘In today’s economy, higher education is no longer a luxury for the privileged few, but a necessity for individual economic opportunity and America’s competitiveness in the global economy.’ Bachelor’s degrees are required for even many entry level positions, and specialized university education, some argue, is the key to the continued technological innovation need to drive our country forward. College graduates earn on average 66% more than those with only high school diplomas, and an estimated two thirds of current job openings require postsecondary education. Unfortunately, college degrees have also never been pricier. Tuition at

public colleges and universities has more than doubled (adjusted for inflation) over the past 3 decades. The average bachelor's graduate has \$27,000 in student loan debt. <https://www.ed.gov/college>

SOLUTIONS TO TUITION INFLATION

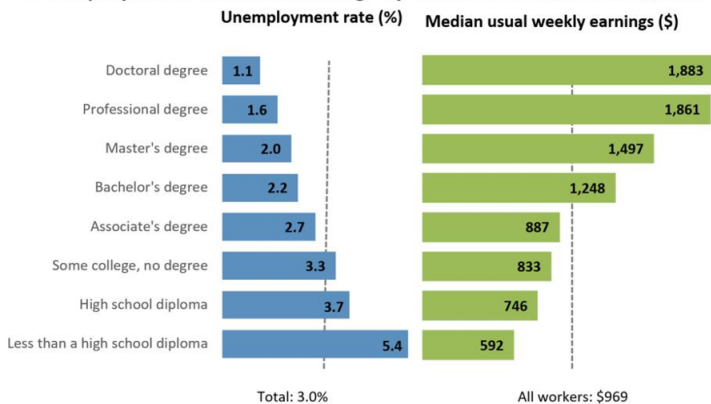
Preston Cooper, Contributor at Forbes and higher education economics researcher, notes that pressure on schools to be self-financing is common. Naturally, it is necessary to charge higher tuition fees to maintain the normal operation of various school activities.

Cooper calls to attention the potential solution of implementing a two-sided approach to controlling tuition. The two sides focus on a student loan borrowing limit for all types of student loans, and a federally mandated cap on tuition for all universities receiving any type of federal funding. The goal of the tuition cap is not to create artificially low prices in the education market, but to simplify the education financing process for students and universities. A tuition cap could help control rising prices of education because student loan borrowers will be incentivized to stay under the federal borrowing limits. <https://www.forbes.com/sites/prestoncooper2/2021/03/08/college-tuition-is-too-high-but-competition-can-fix-it/?sh=576d5ea04724>

Robert Farrington, a Senior Contributor to *Forbes*, highlights an effective solution to tuition inflation by capping student loans. The plan includes a federal mandate cap on borrow limit for all types of student loans. A borrowing limit would also create a tuition cap annual tuition price at a fourth of the borrowing limit so students can complete a four-year degree. Farrington suggests a \$57,500 borrowing limit for an annual tuition price of \$14,375, which is below the current average. Borrower education is also needed to help students understand the investment being made, which should be modeled off of current credit card statement reforms. This borrowing education would help students know their monthly payments. <https://www.forbes.com/sites/robertfarrington/2015/07/30/the-simple-strategy-to-stop-rising-tuition-costs/?sh=43bfcf76e7ef>

A Forbes article titled 'College Tuition Is Rising at Twice the Inflation Rate—While Students Learn At Home' examines the need for a college degree in the modern day workforce. The current median earning for someone with a doctoral degree is \$1,883 compared to \$592 for someone who did not finish high school. Carnevale states, "Since 1983, college has become necessary" to illustrate how 70% of good jobs now require a college degree where someone in the 1970s could get a job making between \$45,000-\$50,000 straight out of high school. The article argues the rise in tuition pricing reflects increased demand as well as frivolous spending on student life expenses. <https://www.forbes.com/sites/zengernews/2020/08/31/college-tuition-is-rising-at-twice-the-inflation-rate-while-students-learn-at-home/?sh=745ba9bf2f98>

Unemployment rates and earnings by educational attainment, 2019



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
 Source: U.S. Bureau of Labor Statistics, Current Population Survey.

A National Free College Option

Another solution to address rising cost of college and student debt, a policy alternative that is already in effect in some states across the U.S. is a free 2 year community college option. President Biden has recently noted his support for a free option at the national level and is expected to deliver a proposal in Spring 2021.

A [2018 report by Jack Mountjoy at Princeton](#) shows that an affordable or free 2 year option for disadvantaged students can increase economic

mobility, defining disadvantaged as ' . . . an indicator for free or reduced price lunch eligibility in 10th grade . . . '.

Morley Winograd and Max Lubin from EdSource recently published an article drawing attention to the case FOR a free college option. Winograd and Lubin note the partisan nature of this policy stating that the Obama Administration championed a federal/state plan to create a free college option, whereas there hasn't been much support from conservatives. "The Republican Party didn't adopt a platform for the 2020 election, deferring to President Trump's policies, which among other things, stand in opposition to free college. Congressional Republicans, unlike many of their state counterparts, also have not supported free college tuition in the past...". That being said, they go on to note that it was a Republican in Tennessee, former Tennessee Gov. Bill Haslam, who initiated a free college option in 2015 that led to other states following similar models of legislation, 'Subsequently, such deep red states with Republican majorities in their state legislature such as West Virginia, Kentucky and Arkansas have adopted similar programs.' Winograd and Lubin go on to make the case that federal and state spending for public colleges and universities could be reallocated to support the free college option.

'It is estimated that even without this family income limitation, eliminating tuition for four years at all public colleges and universities for all students would cost taxpayers \$79 billion a year, according to U.S. Department of Education data. Consider, however, that the federal government spent \$91 billion in 2016 on policies that subsidized college attendance. At least some of that could be used to help make public higher education institutions tuition-free in partnership with the states.' <https://edsource.org/2020/tuition-free-college-is-critical-to-our-economy/641232>

STUDENT OPINION ON COLLEGE-READINESS

YouthTruth, a nonprofit organization, surveyed 165,000 high school students during the 2010-2011 and 2014-2015 school years. They found that while most students planned to go to college, they felt unprepared to do so. Eighty-seven percent of the students surveyed said they wanted to go to college, but only forty-five percent of students surveyed felt prepared and ready for college and their future career.

The students also acknowledged that although they felt their schools had prepared them to apply to college and take college level classes, forty-six percent of the students felt that their high schools didn't help to find possible career paths relating to their interests and forty-nine percent of students felt that their high schools didn't help to provide steps to take to get into those careers. High school students struggle with the college and career process due to the lack of knowledge surrounding college, the application process, and how to find a future career path.

One of the anonymous student responses said that "I'm actually really upset that my school doesn't do more to help their students with the scary and confusing process. They haven't helped me in choosing a major, choosing a school, applying to that school, knowing what I need to do to get into my dream school, how to pay for my school, what I should expect from college life, or even to help me register for scholarships or other things that could help me pay for my university."

Another said that "School has taught us that having better grades is better than actually learning something, and that's not how it should be."

1. <https://youthtruthsurvey.org/wp-content/uploads/2016/01/YouthTruth-Learning-From-Student-Voice-College-and-Career-Readiness-2016.pdf>
2. <https://www.the74million.org/article/when-it-comes-to-college-only-half-of-americas-high-schoolers-say-they-feel-prepared-survey-finds/>

COST OF COLLEGE AND BLACK, INDIGENOUS, AND PEOPLE OF COLOR (BIPOC)

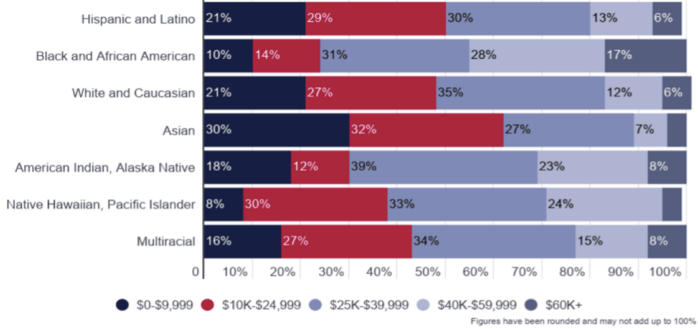
The rising cost of tuition has had an impact that has fallen disproportionately on historically marginalized groups. Black students on average have 50% more student debt at graduation than comparable White students -- even though White students are five times more likely to go to selective institutions, controlled for income. Black students also typically receive less financial support from their parents. Four years out of college, the debt disparity between Black and White students doubles. (<https://www.washingtonpost.com/outlook/2021/04/09/student-loans-black-wealth-gap/>)

Student loan debt affects approximately 45 million Americans with this burden varying across several ethnic, age and gender groups. A report from The Brookings Institute provides data that shows that Black and African American college graduates owe an average of \$25,000 more in student loan debt than white college graduates. Black and African American college graduates [are more likely to struggle financially due to student loan debt. Economist Thomas Shapiro shared context on this issue in an interview with The Atlantic, "two decades after [they enter](#) school, the median white borrower has paid off 94 percent of debt, whereas the median Black borrower has paid off just 5 percent."

1. <https://www.brookings.edu/research/black-white-disparity-in-student-loan-debt-more-than-triples-after-graduation/>
2. <https://www.theatlantic.com/ideas/archive/2020/11/why-biden-should-forgive-student-loan-debt/617171/>

According to a paper published in the Brookings Institute by Adam Looney & Constantine Yannelis, more than half of borrowers in default owe less than \$10,000 (see chart on p. 20). One explanation to note is that many defaulters only went to college for one or two semesters, dropped out, and were left with the debt, but no degree. The perception of the distressed student loan borrower is often someone with six figures in debt, but in reality it's often the people with only four figures who have the most trouble. https://www.brookings.edu/wp-content/uploads/2018/02/es_20180216_looneylargebalances.pdf

Average Student Loan Debt One Year After Graduation by Race



<https://educationdata.org/student-loan-debt-by-race>

LIST OF RESOURCES

State Support

Missouri

- Public Services Loan Forgiveness Program:
<https://dhewd.mo.gov/resources/publicserviceemployees.php#:~:text=The%20Public%20Service%20Loan%20Forgiveness,employer%20who%20meets%20certain%20qualifications.>
- Missouri Student Loan Forgiveness Programs
<https://thecollegeinvestor.com/student-loan-forgiveness-programs-by-state/missouri-student-loan-forgiveness-programs/>

Kansas

- Kansas State Loan Repayment Program:
<https://www.kdheks.gov/olrh/FundLoan.html>
- Lists of Kansas student Loan Forgiveness Programs
<https://thecollegeinvestor.com/student-loan-forgiveness-programs-by-state/kansas-student-loan-forgiveness-programs/>
- Student Loan Forgiveness Programs
<https://www.kansaslegalservices.org/node/156/student-loan-forgiveness-programs>

Prospective Borrowers

- Links & Resources for College Students:
<https://dhewd.mo.gov/resources/college.php>
- Financial Literacy
<https://dhewd.mo.gov/ppc/studentloans/financialliteracy.php>
<https://journeytocollege.mo.gov/pay/manage-your-money/>
- Financial Aid 101
<https://dhewd.mo.gov/ppc/studentloans/financialaid101.php>
- Types of Student Loan
<https://dhewd.mo.gov/ppc/studentloans/loantypes.php>
- Student and Parents
<https://dhewd.mo.gov/ppc/studentparents.php>

Student and Parent Borrowers

- Understanding Student loan Repayment (Federal Student Aid)
<https://studentaid.gov/h/manage-loans>
- Differences between Forgiveness, Cancellation, and Discharge
<https://studentaid.gov/manage-loans/forgiveness-cancellation>
- Student Loan Forgiveness Options
<https://thecollegeinvestor.com/578/ways-to-get-student-loan-forgiveness/>