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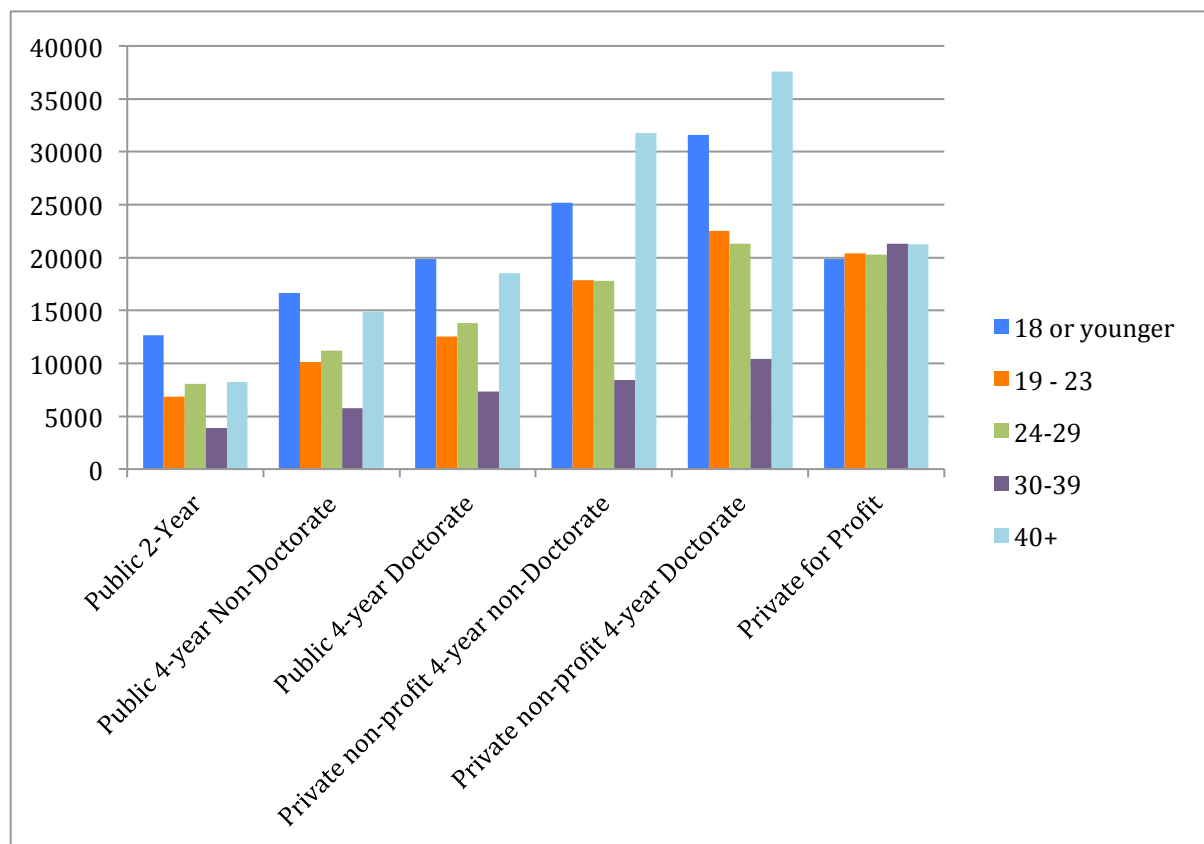
English 2010 MW

Ashley Argyle

The High Costs of Higher Education

In the current economic climate a lot of discussion and blame is being thrown around about the trillions of dollars of debt that America has recently accrued. Is it the current Presidency's fault; is it the past Presidency's fault? We may never find the answer, but one thing we do know is that the debt needs to be eliminated as soon as possible. Political discussion in the media (internet, television, newspapers, journals, etc.) have addressed this issue and one area of the budget that is being discussed to cut, or allow expiration of, are government subsidized loans and grants.

Eliminating the option for government subsidized loans and grants are a huge concern to many parents and students because the cost of higher education is already criminally overpriced. According to the Census Bureau, the yearly cost of a public four-year institution for a student 18 years or younger is \$16,664 for a non-doctorate degree (U.S. Census Bureau, 0288). So if that student wanted to earn a bachelor's degree at that college, they would end up paying, on average, \$66,656 for that degree. That is the cost of a brand new economy vehicle, off the lot, each school year for that student. Most students at the age of 18 are right out of high school and usually don't have that kind of money laying around. If they were smart, they would have gotten a minimum wage job while they were still in high school and saved some of their earnings to help pay for their education. But realistically, that won't provide them much more than \$5000-\$6000, optimistically, towards their first year in college.

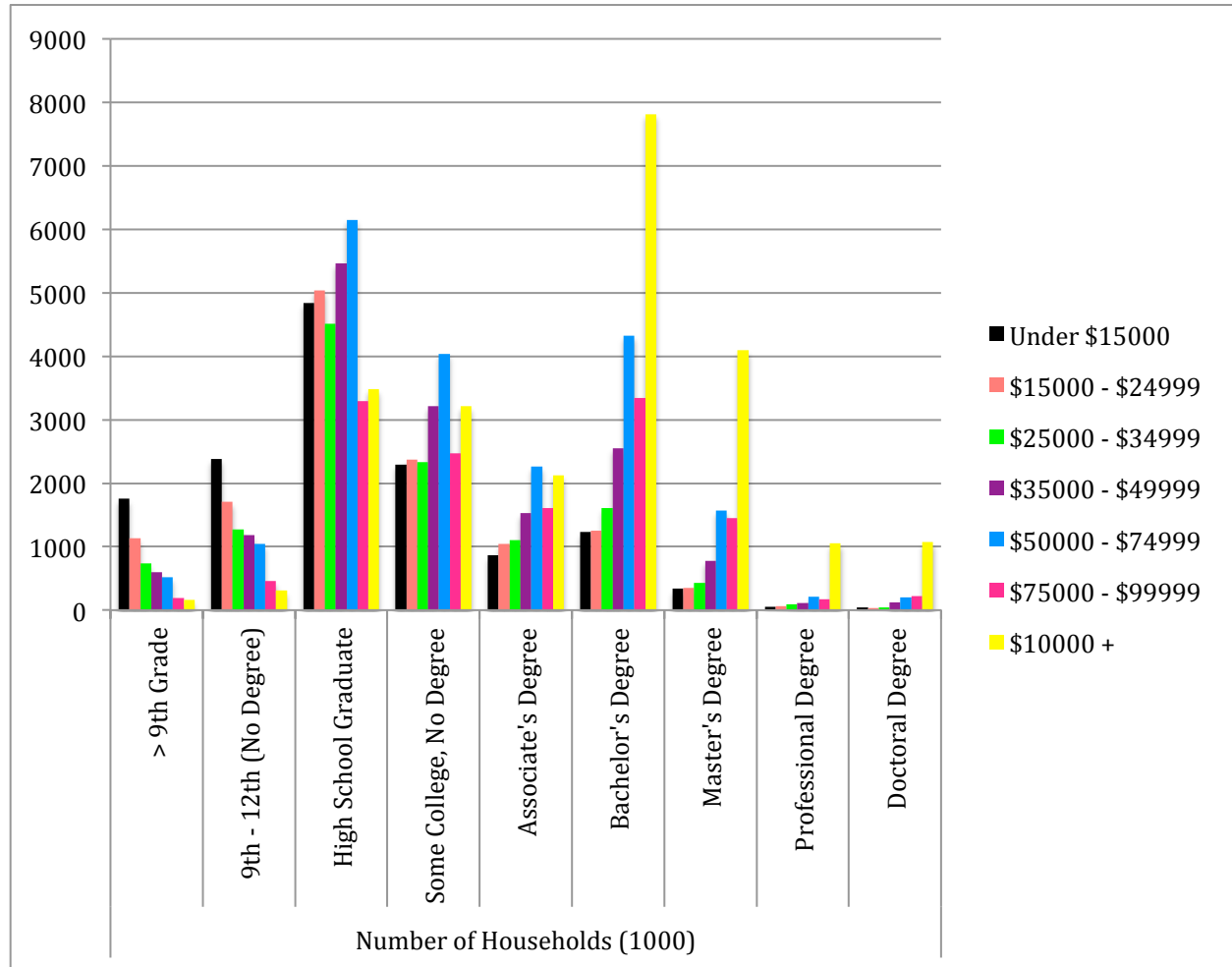


The graph above details the average cost of education in 2007-2008 for each age demographic and for each college type. This price includes tuition, fees, books, supplies, transportation, and room and board (U.S. Census Bureau , 0288). Surprisingly it shows that the youngest and oldest demographic are paying the most for their undergraduate degree, whereas the 30-39 age demographic is paying the least. Age tends to affect the costs of higher education based on the likelihood of payout. It is fantastic that the older demographics want to continue their education, but most of them are past their prime working years and nearing retirement. The payback from the extra education is much lower than those in younger demographics. The youngest demographics are more likely to be uncertain of what they want from education, and will stay in the education system longer. Because of this, they are more of a drain on educational resources and cost institutions more. The 30-39 age demographic usually have gotten past their uncertainty of what they want and are more focused to finish their education to improve their

familial stability. This is also the demographic that receives the most governmental assistance as well, so it makes sense why their educational costs would be lower.

The graph also shows that private non-profit four-year institutions (i.e. Harvard University, Yale University, Stanford University, etc.) will charge students the most for their education, while private for profit institutions (i.e. ITT Technical Institute, DeVry University, University of Phoenix, etc.) are the most equal in their charges across the board for all age demographics. Public institutions, as indicated in the graph, will have the least costs for students overall. Some of the reasons for these cost differentials could be that public schools receive more funding from the government which allow them to keep costs lower for students.

Although this graph details the average costs for students in these demographics it does not account for that fact that there is no consensus on the price of education for each state. “For instance, in 2004 full-time tuition and required fees at public four-year comprehensive institutions in Nevada totaled \$2,477, while charges at the same type of institutions in Vermont amounted to 8,771” (Doyle, pg618). There is nothing to account for these crippling differences in costs for education other than that there is no regulation to prevent it.



The graph above details the amount of income households in America earn based on their education. A large number of households have either some college with no degree, or just a high school diploma. The majority of these households have income anywhere from under \$15000 to \$74999. The households who earn the higher income of \$100000 + typically hold Bachelor's Degrees or higher. It is possible to earn that high of an income in the lower income demographics, but it is more likely with more education. Not many families hold Professional or Doctoral Degrees, which could reflect the inaccessibility of these degrees due to the vast amounts of time and money they take to achieve them (U.S Census Bureau, 0692).

Many students come from either the middle class or low-income families and are going to school to achieve better financial status for themselves and their families. Because of this, not many students have the assets to pay for higher education costs outright. They have two options available to them. Turn to their families for help, or use Government Financial Aid. But financial aid such as the Pell Grant is limited per state and hard to qualify for. "For example, Illinois provides \$924 in state grant aid per student, while South Dakota does not provide any state financial aid to its students" (Doyle, pg618). If a student does not qualify for the Pell Grant, they will have to apply for Stafford Loans. Stafford loans are student loans from the United States Department of Education guaranteed by the full faith of the US Government. They typically have lower interest rates than personal loans through a bank. This will help the student save money down the road, but the eligibility requirements and borrowing limits are strict.

These options may not be available for students soon if the government decides to cut budget costs in this area. So what else is available for students? Not much more other than working minimum wage jobs to save enough money to go to school. If only schools would look at lowering their prices for tuition, books, and fees. Do they really need all that money from students? "Actually, lowering the sticker price can simultaneously boost a college's fortunes and help its students. When the cost drops, a college doesn't have to give as large a handout to needy students or as many tuition discounts to more affluent students. This can ultimately leave a school with more money for its operations" (O'Shaughnessy, pg6). With more money saved, the school will be able to invest in more quality programs to attract more students. This in turn will attract more students and earn more money in the long run. Without implementing this method, it shows that most institutions are greedy and they don't care about the overall welfare of its students.

It is unfortunate that the American populous is subject to such high education costs. It would really benefit Universities, College, the Government, and the people as a whole if costs were lowered and better regulated. The more educated a country's population is, the more jobs the populous can hold and perform. With more people working higher end jobs, the more they earn. This is good for them and the country as a whole, because the more money everyone has the more that gets spent and put back into the economy. The more funds invested in the economy would ultimately help to lower, and eventually eliminate, the U.S. debt. The Government should be thinking more long term with their financial goals and consider adding a stimulus package to the education system. It would benefit America much better in the long term.

Works Cited

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