



College Affordability

A majority of U. S. adults, 61%, believe education beyond high school is available to anyone in America who needs it-down from 67% in 2012. However, only 21% believe higher education is affordable (Source: Gallup; April 16, 2015).

The average tuition bill for students at a public four year college has increased by more than 250% over the past three decades (Source: Gallup; April 16, 2015).

According to a recent survey of private, nonprofit, four-year colleges by the National Association of College and University Business Officers (NACUBO), the discount rate for first-time, full-time freshmen during the 2013-2014 academic year was estimated to reach 46.4%-the highest recorded rate in the history of the study.

Three Ways to Lower High College Costs:

- a. Would-be students must be able to obtain clear information about costs and quality, so that they can locate the best value for money.
- b. Comparison information is needed that recognizes “quality” means different things to different people; students must have access to scorecards that reflect their own criteria for value in education.
- c. Higher education needs to open up to more competition from institutions with new business models Degrees based on competency rather than “seat time” are gaining traction, while low-cost degrees are reducing the needs for loans (Source: Stuart M Butler, “3 Ways to Lower Crazy High College Costs” Brookings, Nov. 12, 2014).

Average tuition for all 401 participating private institutions rose 3.6% in 2013-14. Average discount went up 6.3%, pushing the average discount rate from 44.8% to 46.4%. Net tuition per student increased only 1.1% and average freshmen enrollment increased at 0.6% (Source: Tuition-Discounting Survey by the National Association of College and University Business Officers).

Since the 2007-2008 school year, average annual published tuition has risen by \$2,068 nationally, or 29%, above the rate of inflation (Source: from the article “College Affordability Down, Debt Up”).

The federal Pell Grant program more than doubled the aid it distributed between the 2007-2008 and 2012-2014 school; years, even after adjusting for inflation (Source: from the article “College Affordability Down, Debt Up”).