

# Free Ride to College?

*Bearing the brunt of changing expectations on who should pay for college*

*By Richard Ekman*

HERE'S A PHILOSOPHY OF life that would make Ben Franklin proud: An individual ought to consider the personal expense of a college education as an investment in his or her future. Why? The lifetime earnings of a college graduate far exceed the lifetime earnings of a nongraduate—and by a lot more than the price of tuition—so the cost-benefit calculation ought to be simple.

Planning ahead helps. Parents should be encouraged to save for college while their children are small rather than using the funds for other purchases. Middle-class values of thrift and moderation, while easy to satirize, in fact make sense and are the basis of good public policy. For families whose financial circumstances make even this threshold of saving and investment impossible, colleges ought to help—indeed, they ought to help a lot. But there should be no expectation that in the normal course of things, a college education is an entitlement or a benefit provided by the state or private entities at no expense to the individual.

Let's be clear that preaching the virtues of individual responsibility is not the same as championing the "college is a private good" argument over the "college is a public good" rationale for public support of higher education. Whether students' motivation to obtain a degree is to serve humanity or to amass personal fortunes, the effect of higher education on those who participate in it is to influence the formation of these individuals' skills and their values, both personal and civic.

No matter who pays, society as a whole benefits when citizens are college gradu-



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ates. We see the results in such areas as voting behavior, involvement in community and civic affairs, and charitable giving. For private colleges at least, there's even evidence to suggest that the college experience makes people feel more fulfilled in their lives.

Still, there is reason to worry that American higher education is increasingly viewed as an entitlement that should be available at far less than the full cost. Few students pay the full amount of the tuition charge, and none pays the even larger actual cost of providing the education.

State governments heavily subsidize the price of enrollment at public institutions (often using more than 8 percent of the state's total tax revenues for this purpose), while private colleges, through endowment earnings and privately raised scholarship funds, cover an average of 25 percent of the actual cost of education (without adding to the burden on state taxpayers).

In little more than one generation, higher education has achieved remarkable gains in widening access. Today, two-thirds of all high school graduates choose to attend college, and even more aspire to attend. These markers of societal commitment should offer unprecedented encouragement to students who hope to enroll.

The extent of this transformation in the commitment to college education, led largely from within higher education, makes it all the more surprising that in the past decade especially, colleges have been accused of price gouging. The accusation is refutable, but it persists in politicians' rhetoric, perhaps because we live in an era of mass higher education when every congressional district includes a high percentage of families with a direct stake in low-priced access to higher education. The politicians' rhetoric rarely expresses appreciation for how far our society has already come in a short time in widening access. Higher education is not an industry in need of a government takeover, although you would hardly know it from the recent flurry of state and federal regulatory initiatives.

## EXPANDED AID ELIGIBILITY PLANS AND THEIR AFTERMATH

Enter Harvard, Yale, et al., with their extraordinary new plans to expand eligibility for financial aid. If their intention is to increase financial aid in order to appease legislative bullies, the announcements by some of the country's wealthiest institutions that they will now support not ►

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only the least affluent students but also most of the others, excepting only the very wealthiest, are worth half a cheer—but only half, because while we can applaud the extension of already generous policies to more of the people who attend highly selective institutions, we need also to worry about the effects of the new policies on everyone else. This development raises serious questions:

- Will government officials conclude from the new generosity that the wealthy colleges are conceding that they have been charging too much?
- Will middle-class families stop saving for college, expecting every college to subsidize almost every student, a result that is well beyond the capabilities of the vast majority of colleges?
- Will the almost-as-strong colleges and universities—those that have sometimes competed effectively in the past against the wealthiest colleges to attract faculty members and students—no longer be able to do so?
- Will some state universities persuade state legislatures to try to compete—adding further to public expectation that a college education ought to be available free of charge?
- Will the new generosity toward undergraduates backfire in other parts of the same universities—for example, will alumni of the less affluent graduate schools (arts and sciences, divinity, education, nursing, public administration) make donations when money that could have been shifted from endowments to graduate students is given instead to already well-subsidized undergraduates?
- Will students perform less well if college is free of charge? Human nature is such that goods and services provided free of charge are rarely valued as highly or consumed as appreciatively as those for which a price is paid.

### COLLEGE, THE GREAT MIXING BOWL

Social engineering has long been just below the surface in the admissions policies of se-

lective colleges and universities. In recent decades it has usually been pursued for progressive goals (despite the tone journalist Daniel Golden and sociologist Jerome Karabel adopt in their recent books).

Harvard could fill its entering class with valedictorians and students with perfect SAT scores, but often it chooses to give preference to students with other talents—a virtuoso violinist, a student council president, a star athlete. Yale could fill its entering class with white, middle-class children from the Northeast, but it chooses to diversify its class by geography, race, ethnicity, and economic background. These choices are highly laudable.

### Free goods and services are rarely valued as highly as those for which a price is paid.

In the hands of the admissions staffs of selective universities, America has avoided a less imaginatively conceived meritocracy. In Japan, a fourth-grade math test will establish the track for the rest of one's life. Tokyo University, the leading national university, has a student population of superb test-takers. In many countries, the best test-takers attend the best universities at little or no expense as a kind of mandarin class. In America, we know that talent manifests itself in many ways, as William G. Bowen's studies of minority students during and after college have argued persuasively.

The truth is that wealthy, selective institutions lose very few of their best candidates for admission. Very bright students in previously underrepresented categories are recruited successfully through procedures and networks that have been refined over many years and are very effective. Nor do these institutions lose many upper-middle-class students; for their families, the proposition that payment of tuition is an investment in one's later life has always been attractive. What is not clear is why

affirmative action for the upper-middle-class should be considered a high priority at this time.

Because only a handful of college students can, by definition, attend the most selective colleges, the less selective institutions continue to enroll the vast majority of college students, including greater numbers of students from low-income backgrounds. If the college experience is the great mixing bowl of democratic socialization today for a very large percentage of the population (as compulsory military service for an even higher percentage of the male population once was), the track records of many of the less selective colleges show them to be superb engines of social mobility—enrolling students of diverse backgrounds and graduating them in timely fashion.

Indeed, for any student characteristic that is often associated with a high risk of not graduating—low-income background, first generation to attend college, minority group member, middling high school grades—smaller private colleges do especially well in comparison with both highly selective and medium-selective institutions of other types. Yet none of the medium-selective private colleges charges as much as the wealthiest universities, and none of the medium-selective public or private institutions has the resources to enrich financial aid as generously as the wealthiest colleges do. Families must save to send their children to most colleges and universities.

For American higher education to continue to expand access and thereby fulfill society's expectations, the public must understand that going to college calls for both a societal and a personal investment. The new financial aid policies of a small number of wealthy institutions will make it more difficult for all the other colleges and universities to perform both their educational and their democratizing functions. This consequence may be unintended, but it would have worried Ben Franklin and should alarm all modern Americans who are concerned about higher education. ■