

House Education & the Workforce Committee

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FACT SHEET

The Skyrocketing Cost of Higher Education

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For decades, college tuitions have been climbing rapidly. And as the cost of higher education has exploded, students and families have struggled to keep up with the high price tags. The federal government is devoting significant resources to higher education – about \$65 billion in direct financial aid to students this year alone – yet even this dramatic federal support cannot keep pace with decades of steep increases in the cost of college. Following are facts on the college cost crisis, and how it is affecting American students and families striving for the dream of a college education.

- The cost of higher education has been rising significantly faster than the rate of inflation or the growth in family incomes for decades. The problem has reached a crisis level today, but it is not a new problem. According to the College Board, in the 1970s there was little, if any, real growth in college prices. In the early 1980s, however, tuition and fees began to grow much more rapidly than consumer prices – in fact, during the 1980s, the cost of attending college rose over three times as fast as median family income.
- This trend of rapidly-increasing college costs has continued through the 1990s. Again using data from the College Board, over the ten-year period ending in 2002–2003, *after adjusting for inflation*, average tuition and fees at both public and private four-year colleges and universities rose 38 percent. And according to information gathered from the College Board and the Census Bureau, over the last 22 years (since 1981), the cost of a public four-year college education has increased by 202 percent, while the Consumer Price Index has gone up only 80 percent.
- According to the Advisory Committee on Student Financial Assistance, cost factors prevent 48 percent of college-qualified high school graduates from attending a four-year institution, and 22 percent from attending any college at all. The statistics are similarly bleak for middle income students and families. At this rate, by the end of the decade, more than 2 million college-qualified students will be completely denied the opportunity for a postsecondary education.
- For the 2002-2003 school year, average tuition and fees at a public four-year

institution was over \$4,000, an increase of 9.6 percent over last year. Average tuition and fees at a private college or university was over \$18,000, an increase of 5.8 percent over last year's average. These increases exceeded the rise in the Consumer Price Index by 8.4 and 4.7 percent, respectively, and these figures do not include the additional costs associated with higher education, including room and board, books and supplies, lab fees and additional academic costs, transportation, and other personal expenses.

- For 2002-2003, thirty-eight states either increased appropriations for higher education or held funding steady at last year's levels -- and still, tuition increased at public four-year institutions in all 50 states, and tuition increased at public two-year institutions in 47 states.