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AFFORDABILITY: SETTING THE CONTEXT FOR DISCUSSION

The Commission has tackled the issue of affordability from the outset. From the scores of research reports made available for its review, to the Task Force on Affordability co-chaired by Drs. Vedder and Zemsky, this topic is central to our understanding of higher education now and in the future.

The facts that undergird the problem are not in dispute:

- College costs over the past two decades have risen beyond inflation and the capacities of families to pay the price.
- Because of price, many students – some estimates are 400,000 per year – are foreclosed from attending.
- Of those who do attend, many students are mounting up historic levels of debt.
- Many costs cannot be justified: undue competition among institutions for students that result in unwise tuition discounting; institutional budgets that shortchange instruction and needed student services in favor of amenities; and cost-shifting to students to improve institutional bond ratings.
- Taxpayers pay for a sizable portion of these mounting costs through subsidies and aid programs.
- The numerous financial aid programs and benefits represent a system that is confusing, overly complex, overlapping and sometimes redundant.

Although the *facts* may not be in dispute, the *solutions* to this complex problem are more difficult to come by.

Today's discussion will include presentations by leaders from a variety of fields who will share their perceptions – and their proposed solutions – for your consideration.

As the Commission continues its discussion on affordability, it is useful to identify the categories of solutions that typically surface:

- Improved institutional practices that would result in lowering of costs.
- Improved state and federal policies that would improve affordability, particularly for low-income students.
- Alternative models of delivery of postsecondary education that would reduce costs while improving quality.
- Developing incentives for institutions to improve efficiency and productivity, contain costs, and pass along the resultant savings in the form of lower tuition.