



Failing Grade

Democrats Proposed: Tax-payer Funded Universal College Education

Rahm Emmanuel, "We make college education as universal for the 21st century that a high school education was in the 20th."

Tim Russert, "Who pays for that?"

Emmanuel, "The American people."

In a recent appearance on the "Meet the Press," Democratic Congressional Campaign Committee Chairman Rahm Emmanuel laid out five planks of a new Democratic platform. Among these ideas, Emmanuel called for "free" universal college education. But simply throwing money at the problem of high tuition will not only fail to solve the problem, it will exacerbate it. It will also lower standards and reduce quality. Universal federal tuition support would help neither students nor colleges.

Federal College Aid Up Dramatically

Over the last two decades, federal financial assistance for college has grown 400%, with the steepest increase occurring in the last five years.¹ It is during this same time period that we have seen a similarly sharp increase in the cost of tuition, and a sharp decrease in graduation rates.

When we increase federal financial aid, there is no incentive for colleges not to increase tuition equally. Tuition increases are based upon financial aid levels, not the other way around. For the 2004-2005 school year, college tuition rose 10.5 percent at public four-year colleges and 6 percent at private ones, according to a College Board study.²

With the federal government subsidizing the cost of education, colleges are no longer accountable to students. Colleges are able to increase non-teaching staff and frivolous building projects while decreasing the class load of tenured professors. In fact, "only about twenty-one cents of each new inflation-adjusted dollar per student since 1976 actually went for 'instruction.'"³

¹ Testimony of Dr. Richard Vedder, Distinguished Professor of Economics at Ohio University before the House Committee on Education and the Workforce on April 19, 2005.

² "Tuition Increases Slow to 10.5% at Public Colleges, Study Says;" *The Washington Post*, October 20, 2004, available at <http://www.washingtonpost.com/wp-dyn/articles/A46165-2004Oct19.html>.

³ See note 1, supra.

Graduation Rates Down

Furthermore, as tuition assistance has increased, graduation rates have decreased. The rate of students at four-year colleges earning a degree within five years has been consistently dropping, especially at public institutions where the majority of federal assistance is spent. According to trend studies by ACT, in 1988, 58.1% of students graduated within five years. In 2002, that number had dropped to 51%.⁴ Most noticeably, in public schools the graduation rate dropped from 48% in 1988 to 39.5% in 2005.⁵ These figures show paying tuition for students does not motivate them to graduate.

New Day, Same Bad Ideas

Once again Democrats propose simply throwing money at the problem. But their proposal will not lower tuition costs, or help more students graduate from college. It is bad for students and it is bad for colleges. Universal college subsidies will decrease colleges' accountability to students, increases costs, lower standards and quality, and have a negative affect on graduation rates.

⁴ ACT, "College Graduation Rates Steady Despite Increase In Enrollment," November 15, 2002, available at <http://www.act.org/news/releases/2002/11-15-02.html>.

⁵ ACT, "National Collegiate Retention and Persistence to Degree Rates: 2005 Retention/Completion Summary Tables," available at http://www.act.org/path/policy/pdf/05retain_trends.pdf.