



Effect of the Escalating Cost of Tuition in Higher Education in the United States

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Author's contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

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ABSTRACT

Higher education has always been a fundamental cornerstone for development and prosperity in the United States. It is incumbent upon the government and other stakeholders to formulate policies to ensure our institutions of higher education are well resourced and funded to enable economic development. The unprecedented price hikes in tuition at universities and colleges, coupled with high student loan interest rate has compelled a lot of students to drop out of college [1]. Majority of the dropouts are now resorting to drug sale and other nefarious activities in order to sustain their lives. The current pandemic has put a huge strain on the American economy with over a million death and unemployment is at all-time high. This article critically examines the severity of insufficient funding for higher education and the adverse impact of the escalating tuition fees. To regulate the rising tuition fees, suggestions are made with reference to sustainability of strategies and policies to stem this phenomenon.

Keywords: Higher education; funding; tuition; case law.

1. INTRODUCTION

In our globalized world today, education and the fight against discrimination remains a major

issue. Thus, discriminatory practices still exist today despite the fact that discrimination has no justification in international law. The right to a free public education is found in the various state

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constitutions of the United States, however the escalating increase of tuition in higher education institutions continues to be the subject of grave debate in recent times. The astronomical increase in tuition at universities and colleges have prevented the youth of the country from pursuing college education. In fact, access to higher education in the United States is increasingly becoming unstable especially with the astronomical increase in tuition fees of universities and colleges. Hauptman [2] also mentioned that since 1980, the federal loan volume has grown tenfold, while tuition has increased more than double the inflation rate. It is sad to note that the interest rate on student loans continues to be high, and it leaves students stack with debts after graduating from school. Simmons, [3] intimated that access to higher education is undeniably an important component for the strategic socio-economic development of the country; hence the knowledge that students acquire through various institutions of higher education is crucial to the prosperity of our nation.

Consequently, with the rise in the cost of living in the United States due to the 2008 recession, most parents are finding it extremely difficult to offer adequate support to their college going kids [3]. Dwyer, [4], further argued that most of the students in the United States are totally discouraged from attending college; due to the financial debt and burden they will have to face after college. The possible effects of this rapid increase in tuition fees are very devastating with most families and students completely locked out of colleges and universities.

2. FUNDING HIGHER EDUCATION

Boggs [5] argued that policymakers and school administrators have long struggled with the controversial issue of college and university tuition fees. The relentless debate is an effort in negotiating between two-policy frameworks; providing revenue to sufficiently finance higher education and ensuring student accessibility to higher education. Indeed, this topic has been a subject of debate in the media for a long time. This propelled former President, Barak Obama, to institute measures aimed at minimizing this trend. Boggs [5] further mentioned that in the past ten years, tuition fees for college and higher education in the United States has continued to escalate at an alarming rate.

3. CASE LAW AND EDUCATION FINANCE

Case law in education finance is very complicated and sometimes very voluminous and painstaking. According to Chambers, Levin, and Parrish [6], courts seem to remain central players in the school finance arena. He further contends that we are in a state of an explosive era of school funding litigation, which shows no sign of diminishing in the near future. The judicial legislature seems essential, as the legislative process alone cannot remedy school funding systems' inequities and inadequacies that are created by the self-interest of politically dominant factions Alexander [7]. The right to education as enshrined in the "No Child Left Behind Act" which seeks to ensure the legal right to education is guaranteed for all without discrimination. In the year 1990, the Supreme Court in New Jersey rendered a ruling with regards to the state's funding system that has been in litigation for decades [8]. Indeed, this ruling focused on the inequalities between urban and suburban school districts. The state was ordered to increase spending in its poorest urban districts to the level of the wealthiest suburban districts and also address the problems in these poor districts. This case clearly epitomizes the discrimination that still exists in our society today with respect to funding our institutions.

Arguably, a lot of people are rushing to the law courts to seek redress about education and funding inequality across country; however, the courts might not be the solution to this menace. In 1973, the U.S. Supreme Court ruled in the case *St Antonio Independent School District v. Rodriguez* that school districts couldn't challenge the finance formulas under the equal-protection clause of the U.S. Constitution. Districts instead began arguing in state courts that aid formulas violated state constitutions' equal-protection clauses, though those cases were rarely successful. The Texas school financing is under both a state and local jurisdiction. A significant portion of the revenues is a result of a largely state-funded program. The program is designed to provide a limited educational offering in all schools. Indeed, each district supplements taxing property within its jurisdiction. The Appellees had brought a class action suit on behalf of low-income students who reside in districts with a low property tax base. They made a claim that the Texas system's reliance on local property taxation favors the more affluent. Hence violating, the equal protection requirements as enshrined in the fourteenth amendment of the constitution.

In the year 1979, the State of Ohio's Supreme Court determined in a case brought by the Cincinnati board of education on funding equity. The Supreme Court maintained that the formula used by the state would only go against the constitution, if the district showed that it "was receiving so little local and state revenue that the students were actually being deprived of educational opportunity."

4. THE NEED FOR HIGHER EDUCATION

The major challenge for our institutions of higher learning is to facilitate the requisite training and preparation for increased productivity in the labor force (Epple et al., 2013) [9]. It is a fact that in our world today, education and for that matter higher education plays a vital role in the development and growth of every nation. The primary charge of college and university education in the U.S. is to facilitate requisite training and preparation for increased productivity in the current labor force [9]. Such fundamental training is very instrumental to the national, global and economic development of the country. Education also goes a long way to strengthen the country's drive towards attaining inclusiveness, unity and development as enshrined in the popular American dream of equality in the public domain. Through universal access to university education, the future generation will be able to exploit economic opportunities and ultimately secure and improve their standards of living. The primary objective of increasing the number of college graduates in the United States is to improve the country's competitiveness in the global domain [9]. Also, higher education contributes to the reduction in opportunity gaps among students from diverse socio-economic backgrounds. Providing affordable higher education is crucial in reducing this inequality gap in the American societies. It is, therefore, incumbent upon the Federal government to consider eradicating every barrier that limits this universal access to university and degree education. Another most important reason why higher education is essential is that any person who attains an education beyond college can gain upward social improvement. Attaining a college degree is an excellent way to get a foot in the door at many respectable businesses and raises the prospect of earning potentially a good job at any reputable organization. In our country today, it doesn't matter who you are, the poorest of all people can quickly become one of the richest in the upper class with a good education and the right amount

of work ethic. The high prestige associated with becoming part of the upper class will culminate in having smarter friends, and the ability to live in nicer neighborhoods, and having a better school system available for the kids.

5. IMPACT OF INCREASING TUITION IN HIGHER EDUCATION

The devastating impact of the continues increase in tuition in institutions of higher learning can be very catastrophic, not only to students and parents but also to the country as a whole. The continues increase costs of tuition at higher education simply imply that only a few families will be in a position to attain the necessary training and education needed for intellectual growth and prosperity [3]. The Federal government is not doing much to avert this growing demand to attend higher education. With most students facing higher amount of debts, the rate of students' enrollment is on a significant decline in the U.S. [3]. Without taking into serious consideration the need to provide cheap access to higher education to improve the success of students, attaining and sustaining the economic prosperity will be inherently challenging [3]. Most American students around the country who graduate from High School and are anxious to achieve their dream of pursuing a college education is shuttered due to high tuition fees at our colleges. In the United States today, graduating from college is part of the American dream, but it is becoming impossible to achieve it. Those students who are lucky enough to get all the necessary guarantors to secure student loans end up graduating college with a huge sum of debt that they may never be able to pay off in their lifetime. According to the U.S Department of Education, most recent college graduates owe an average of \$35000 in student debts and loans, and most students wonder if it is worth it to pursue a college education.

Shin and Milton [10] asserts that the rising cost of higher education is due to the instructional cost of these colleges, high salaries of professors, new technology innovations, and expansion of building facilities. In their review, they also reported that most public colleges and universities charged between 25% and 33% of the instructional cost of tuition. It is a known fact that the average price of a year of undergraduate education at an in-state four-year college for the 2014-2015 is \$18,943, according to the College Board Annual Survey of Colleges. A year at a

private non-profit institution cost an average of \$42,419, which is about \$10,000 more per year than the out-of-state public school, and over \$23,000 more per year than an in-state public school. Although, some students decide to pursue a 2-year community college education to avoid high tuition, however, most of them end up dropping out or are not excellently equipped with the necessary skills needed in the job market. It is sad to note that most graduates these days are opting to stay with their parents instead of living independently as it is impossible to find a job and pay off their loans as well as take care of themselves.

Another significant effect of this problem is that most students, especially those from low-income families, are completely discouraged from pursuing college education. This trend is definitely depriving the country of the requisite manpower needed to run the economy. It is believed by a school of thought that, the only way to resolve this conundrum of high tuition in our colleges is free funding from government and not cost sharing. Most colleges and universities also deliberately increase tuition fees because they know the rise in government subsidies and the guarantee on loans for students. However, students wind up carrying huge debt after school, with no expectant job availability.

The increase in fees can also adversely affect the academic success of students and further widen the socio-economic gap that is already wide. In such instances, students from low-income households are the ones most affected with the retention and completion rates comprehensively reduced compared to their higher-income counterparts. Moreover, the Federal and state government should take more responsibility by increasing appropriations and encouraging other shareholders in the education sector to consider providing financial aid to some of the students. Undeniably, the continued rise in tuition fees will put the country at a grave risk of losing its track as a global leader in quality education. Every policymaker must, therefore, concentrate on increasing the number of students enrolling in colleges and universities at all cost. This will also help in closing the poverty gap often experienced in the American societies.

The severity of the great recession in 2007 resulted in governmental, and state funding cuts thereby propelling colleges and universities to increase tuition fees. Consequently, a high-interest rate on student loans is another deterring factor that stifles the socio-economic

advancement of students. It is believed that students will enter the job market with a financial deficit, which may take years or even their entire life to pay them off. Most student loans repayment starts when the student graduates and this puts a lot of pressure on students. Unfortunately, students end up accepting jobs that do not even require a college education. This development obviously discourages and frustrates students, and has a significant impact on their career, finances and discourages them from pursuing their dream of a college education.

6. RELEVANT POLICIES AND SOLUTIONS

Introducing relevant policies that will help in reducing tuition fees in higher education will improve the acquisition of requisite skills that are necessary for the socio-economic development of a nation [11]. The United States government, therefore, cannot purposely neglect the escalating effects of exorbitant tuition fees in higher education in universities and colleges [11]. With the minority groups, increasingly being alienated both socially and economically, reducing such expenses will result in an increase in the number of students going to colleges and attaining degrees. Another relevant policy is that the government should further facilitate funding programs in higher education by encouraging stakeholders to take more responsibility for increasing college access to the majority of the low-income students in the U.S. [11].

The primary objective of the American educational system is to ensure the nurturing of inherent skills, increase students' knowledge, and cognitive abilities. Through attaining a college degree, students can improve their social and economic welfare [11]. In addition, the need for a comprehensively skilled workforce will prompt the United States government to take a center stage in championing for a reduction in tuition fees. Most of the college education programs are failing because the government and relevant players have been unable to mitigate the escalating effects of high tuition fees in higher education [11]. The result is increased dropouts and acceleration in anti-social behaviors such as crime in the American societies. This is because the majority of the students who are unable to attain college education due to the high tuition fees will most probably resort to crime as a viable means of survival. This is yet another devastating effect of increased cost of education in the U.S. [11]. In the long run, the government will be forced to

deal directly with the resulting challenges proactively further disrupting the socio-economic systems. Exposing more students to a college education, therefore, will help the Federal government avoid such negative consequences and be more competitive globally.

7. SUSTAINABILITY

The most important question in these public institutions is the sustainability of strategies and policies that can be used to mitigate the escalating effects of higher education tuition fees in the U.S. [11]. The decline in Federal government funding and necessary support from private bodies is some of the primary causes of the increasing tuition and enrollment fees at colleges. Any policy introduced must be one that is acceptable to every player and stakeholder in the field of education as reducing the fees may also adversely affect the respective institutional finance [11]. This will change the primary purpose of ensuring quality provision of education and easy access to such places [11]. Undeniably, such declines in quality must also be controlled resulting into a tradeoff with the government and other stakeholders.

The current tuition fees charges at most American colleges and universities are relatively sustainable from an absolute financial viewpoint [11]. However, overreliance on increasing revenue through increasing tuition fees is not a sustainable strategy. This is because the institution will limit its ability to adequately serve its purpose and achieve the set aim of providing quality and accessible education. According to Woodhouse [12], tuition made up roughly 47 percent of revenues for public higher education for the third straight year in 2014, cementing a trend in which tuition revenue now rivals state appropriations as the main funder of public colleges and universities. He continues to assert that after the recession, States which also funded higher education slashed down funding, thus higher institutions have relied on tuition for revenue.

The probability of many students dropping from college due to their inability to pay the rising fees is also relatively high. This explicitly explains why the revenue collection through this strategy will ultimately limit the ability of many institutions operate effectively and to accomplish their corresponding undertakings. In the long run, such unsustainable revenue collection policies may result in severe financial strains may forcing

the learning institutions to sacrifice access or provision of quality education especially among low- and middle-income students [11]. Additionally, by increasing tuition fees, the institutions will be able to fund successfully, their budget deficits according to some policy makers. However, though a noble initiative, the substantial increases in the net costs that the students will be expected to pay must be taken into due consideration [11]. Nevertheless, as a sustainable policy, the higher education institutions may decide to reduce the tuition fees and increase financial aid especially to those students from low-income families. This will help in sustaining equal access to education, as many students irrespective of the socio-economic background will be able to attain college degrees. The strategy is sustainable because the institutions will be able to reduce their net expenditures without necessarily compromising the quality of the education, they offer to students due to a reduction in funding [11]. The above are some of the most difficult choices but those that are necessary for preserving the future of higher education the United States. There have also been many efforts and initiatives by governments and other stakeholders in the past to find a lasting solution to the ever-increasing tuition rates in higher institutions in America. However, no credible and proactive solutions have been attained. Indeed, research into college tuition policy has reached a crossroad: either the government increases support for universities and colleges, so they are less dependent on tuition revenues or colleges expand their financial aid to needy students. The setting up of a committee by the government to regulate and keep college prices under control will help stabilize high tuition rate in higher education.

According to Shin and Milton [10], most colleges in America pay different costs for different academic disciplines. Hence, when tuition at all colleges and universities are the same across disciplines, tuition fees will stabilize across board. Another option is online education, which are cheaper and "asynchronous" allowing students to take classes at their own convenient time. Additionally, it allows students replay lectures as many times as needed.

8. CONCLUSION

States and the federal government have an obligation to increase college enrollment and graduation especially among students from middle and low-income families. The value of

higher education to economic growth and development in any country cannot be ignored whatsoever. All stakeholders should be engaged in trying to encourage and support college attendance. However, the increase in tuition fees is a major hindrance to the attainment of this noble objective. Therefore, as a sustainable policy, public institutions of learning should realign their respective financial plans and strategies to help in the attainment of this inherent aims and purposes. Besides, the increase in tuition fees should not be used as a long-term revenue collection strategy as it is not sustainable. Instead, the institutions should explore other avenues while maintaining the quality and access to higher education.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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