



How Higher Ed Spending Bleeds Taxpayers Dry

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March 21, 2014

Last week the Young Invincibles – an organization [that says](#) it represents “the interests of 18 to 34 year-olds” – released [a report](#) grading states on their higher education funding. There weren’t many “A” grades, with only 18 states getting a “GPA” over 75 percent. But have states – and especially taxpayers – been skinflints?

The first thing to know is that YI looked at 2007-2012, a period that started a year or two before the “Great Recession,” but ended with states still very much feeling its effects. What happened to funding in that time? According to the latest [State Higher Education Finance data](#), inflation-adjusted state and local appropriations to colleges dropped from \$76.6 billion to \$68.2 billion, an 11 percent dip. Note, though, that 2008 saw the *highest* outlay in the 25-year period between 1987 and 2012: \$80.0 billion. And from 1987 to 2012 the overall expenditure grew from \$60.5 billion to \$68.2 billion.

On a per-full-time-equivalent-student basis the decrease was more precipitous, with outlays falling from \$7,667 in 2007 to \$5,906 in 2012. Expenditures were \$8,497 in 1987. That said, the high for the 25-year period – \$8,670 – was reached in 2001; spending has gone up and down like a rollercoaster, not simply glided in for a landing. And the drop is largely a function of enrollment leaping from 10.0 million FTE in 2007 to 11.5 million in 2012. In 1987 there were just 7.1 million FTE students.

Of course, there’s something else at play: federal student aid, which can cover cuts in state outlays, and then some. According to [College Board data](#), between 2007 and 2012 inflation-adjusted, total federal aid (grants, loans, work study, etc.) ballooned from \$107.4 billion to \$169.7 billion. In 1987 total federal aid was just \$34.4 billion. Federal grants alone grew from \$11.0 billion in 1987, to \$23.3 billion in 2007, to \$47.0 billion in 2012.

What has the burden been on taxpayers, the flesh-and-blood people who have to furnish the money? As a quick estimate, adding federal grant aid to state and local spending, the taxpayer burden increased from \$71.5 billion in 1987, to \$99.9 billion in 2007, to \$115.2 billion in 2012. What is that on a per-American – a rough estimate for per-taxpayer – basis? Dividing the total

expenditure by the U.S. population, we find that the bill per-person increased from \$295 in 1987, to \$332 on 2007, to \$367 in 2012.

The higher education burden on taxpayers – not just the students primarily benefiting from the education – has been rising for years. Which begs the question: Who will represent *their* interests?

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