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## Thank Washington for skyrocketing tuition

By Jeff Jacoby

For decades, American politicians have waxed passionate about the need to put college within every family's reach. They showered us with hundreds of billions of dollars in student aid of all kinds — grants and loans, subsidized work-study jobs, tax credits, deductions. Today, that shower has become a monsoon. As Neal McCluskey points out in a **Cato Institute** white paper, government outlays intended to hold down the price of a college degree have ballooned, in inflation-adjusted dollars, from \$29.6 billion in 1985 to \$139.7 billion in 2010, an increase of 372 percent.

Most of that growth is very recent. The College Board reports that total federal aid soared by more than \$100 billion in a single decade, from \$64 billion in 2000 to \$169 billion in 2010.

And what have we gotten for this vast investment in college affordability? Colleges that are more unaffordable than ever.

Year in, year out, Washington bestows tuition aid on students and their families. Year in, year out, the cost of tuition surges, galloping well ahead of inflation. And year in, year out, politicians vie to outdo each other in promising still more subsidies that will keep higher education within reach.

Does it never occur to them that there might be a relationship between the skyrocketing aid and the skyrocketing price of college? That all those grants and loans aren't containing the fire, but fanning it?

Apparently not.

"We've got to make college more affordable for more young people," President Obama proclaimed last week. Like George W. Bush and Bill Clinton before him, he argued for keeping the aid spigot open. He hit all the usual notes (tuition tax credits, student-loan payment caps, Pell grants) and, for good measure, used the federal student-loan interest rate — which will double in July unless Congress acts — to paint Republicans as clueless Grinches.

Yet Mitt Romney also wants to extend the current interest rate. The myth that government can control the price of higher education by driving up demand for it has a broad, bipartisan following.

"It's not enough just to increase student aid; we've also got to stop subsidizing skyrocketing tuition," Obama said. He might as well have declared that it's not enough to keep flooring the accelerator; we've

also got to stop the car from going faster. Rising government aid underwrites rising demand for higher education, and when demand is forced up, prices follow suit.

Federal financial aid is a major source of revenue for colleges and universities, and aid packages are generally based on the gap between what a family can afford and the tuition a college charges. That gives schools every incentive to keep tuition unaffordable. Why would they reduce the price to a level more families could afford when it would mean kissing millions of government dollars goodbye?

Directly or indirectly, government loans and grants have led to massive tuition inflation. That has been a boon for colleges and universities, where budgets, payrolls, and amenities have grown amazingly lavish. And it has been a boon for politicians, Republicans and Democrats alike, who are happy to exploit anxiety over tuition to win votes.

But for students and their families, let alone taxpayers who don't go to college, it has been a disaster. The more government has done to make higher education affordable, the more unaffordable it has become.

Jeff Jacoby writes for the Boston Globe.