



'Free' college hurts minorities and low-income Americans

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Three of the top Democratic presidential candidates, Joe Biden, Sen. Elizabeth Warren, and Sen. Bernie Sanders support four years of free—meaning taxpayer funded—higher education. But by ignoring incentive-driven behavioral changes, free college for all will hurt many young adults, including minorities and low-income Americans.

What would happen if public colleges were suddenly free?

Demand to attend these schools would likely skyrocket well beyond the current level. Research has repeatedly identified the inverse relationship between tuition and enrollment changes—falling prices increase enrollments. Many colleges have successfully attracted students by lowering tuition. Public Research I schools are the most price sensitive because they compete with other flagship schools as well as private colleges and universities.

Free college would cause high school graduates who didn't plan to attend college because of the high cost to apply for admission. Other new graduates who would have attended a private college, but now can't resist saving tens- or hundreds-of-thousands of dollars, would also apply. Similarly, many students enrolled in costly private colleges would want to transfer to a free public school. And adults in their late 20's or older who wanted more education but were unable or unwilling to pay would apply.

The result would be a tidal wave of applications flooding public colleges, forcing admission departments to ration the limited openings. College admission is largely based on academic performance, and the expanded candidate pool increases applicants of all achievement levels, including high-performing students. Those admitted would have higher standardized test scores and GPAs. In other words, public colleges and universities would become more competitive, at least in the program's early years.

SAT scores are correlated with income, and black and Hispanic GPAs lag behind Asian and white students. With fixed classroom and dorm space, low-income and minority students would find it more difficult to get accepted into college if it were free.

A classic example of the detrimental effect of price control is rent-controlled housing. Local governments set rents below the market price intending to help low-income residents. Demand for those apartments' skyrockets, exceeding available units and creating long waitlists. Landlords have little incentive to spend money maintaining buildings because of an abundance of

prospective tenants eager to replace unsatisfied exiting renters. In other words, apartment quality falls.

Free college is also a price control example, but it's even more extreme than rent control because the price isn't just low—it's zero. The surplus of college applicants would eliminate the need to attract more students through increasing or maintaining academic quality, potentially leading to worse educational outcomes.

Long-term implications are less certain. If public college and university capacity fails to keep up with demand, these problems will continue. Alternatively, lawmakers such as Sen. Sanders who believe that higher education is a right would pursue expanding capacity to accommodate the growing number of applicants, and relaxing admission requirements to prevent students from being denied their right to higher education. This could lead to public higher education mirroring the state of America's K-12 public schools. They too are "free" and have not typically needed to compete for students. Sadly, while there are some very good public schools, many Americans are unhappy with free public school. Millions of children's families pay for private schools, nearly 3 million students enroll in charter schools, and almost 500,000 children take advantage of other school choice options—tax scholarships, education savings accounts, or vouchers.

Biden, Warren, and Sanders' proposals ignore the predictable behavioral response to the offer of free college and will ultimately make the poorly designed higher education financing system even worse. If anything, the federal government should reduce its role while encouraging state and local governments and the private sector to explore policies and solutions.

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