

EDITORIALS

Friday October 30, 2009

Government fuels a tuition cost spiral

CLAIBORNE Pell served in the Senate for 36 years. His legacy is Pell grants, which give needy college students up to \$5,350 this year, up by \$600 from last year.

In fact, the size of Pell Grants have risen markedly over the years.

And so has college tuition, which puts pressure on Congress to raise the size of Pell grants, which makes more money available to the colleges, which then raise their rates.

Pell Grants are one minor component of the government's spending on higher education that gives colleges incentives to keep raising college tuition, even in a time of deflation.

In 2007-2008, 58 percent of student aid came from the federal government.

In 2008-2009, the figure rose to 65 percent.

That increased spending by the government has fueled an inflationary spiral. College tuition rose an average of 6.5 percent among public colleges and universities, and by 4.4 percent among private colleges and universities.

Factoring in a 2.1 percent decline in consumer prices, this means effectively, college tuition rose another 9 percent.

"There are many cost-driving excesses in higher education - luxurious dorms, unused classroom space, growing bureaucracies, expensive academic journals, and the list goes on - that are intermediate causes of the college cost problem," wrote Neal McCluskey, associate director of the Cato Institute's Center for Educational Freedom.

"They are all, however, undergirded by a single reality: You can't charge an arm and a leg unless people can pay it, and to curry favor with colleges, kids and parents Washington ensures that those limbs keep coming, taking them from taxpayers and giving them to students and schools,"

Congress gives the students more money, and colleges raise their prices so Congress must give students more money to cover these rising prices.

One does not need to be a rocket scientist to see that this inflationary merry-go-round needs to be slowed down.

COMMENTS (0) ON "GOVERNMENT FUELS A TUITION COST SPIRAL"

POST COMMENT