

Can Everyone Benefit from Higher Education?

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In recent years, the value of a higher education degree has increased dramatically with the rise of the information economy. Higher education enrollment in the US peaked in 2012, with over 21 million students entering various programs (NCES, 2017). Higher education in the US refers to the college or university education that follows the secondary education stage. It trains students to perform complex tasks that are required in emerging sectors, leading to high-paying jobs. However, as the cost and demand for higher education grow, various states in the US seek to shift the burden of the expenses to the students through budget cuts to manage finances. The issue of free and open access to higher education is contentious in the US, with sharp bipartisan division. The Democrats, favoring big government and social spending, also prefer free tuition, while the Republicans criticize such proposals due to their stance against government intervention in the socio-economic sphere (Hartig, 2021). Cutting through the debate is difficult as both sides use different frameworks and seek other objectives. Although free college tuition may have some benefits, such as improving college accessibility, it has significant drawbacks as it requires unsustainable and unfeasible spending by the public sector, leads to lower quality of education, is unfair to the taxpayers, and more feasible alternatives exist.

One of the drawbacks of free college is that it would largely depend on funding from the public sector. Providing free college is not feasible and sustainable for the American public sector. State governments are mostly responsible for regulating, supervising, and financing higher education (NCES, 2017). With free tuition, these expenses would increase substantially, and state governments would have to raise taxes, making it unfeasible to implement free education. A study calculated that the cost of college tuition in the US rises eight times faster than average wages (Abel & Deitz, 2014).

Consequently, keeping up with the increasing costs would require the states to take drastic steps (i.e., increase taxes) to raise the required revenue. In turn, increased taxation would adversely impact economic productivity, as evidence has demonstrated that increasing capital taxes by 1% led to a 7% decline in long-run consumption (Arnold et al., 2011). In addition, budgeting requires making pay-offs between several key areas as states also have to manage other necessary expenses such as infrastructure and health. That is, if free college is instituted, budget requirements of sectors such as health would be compromised. A survey of state expenditures revealed that state and local governments spent \$311 billion on higher education in 2019, which was roughly equal to the spending in the health sector (Baker et al., 2020). In 2021, the states increased higher education funding by 4.5% (Laderman & Heckert, 2022), while health spending declined by 5% despite the Covid19 pandemic (Poisal et al., 2022). It has been observed that more spending in higher education is co-related with decreased spending in areas such as health. Although it may be true that the states can afford to implement free tuition through smart budgeting practices, it would prove to be unsustainable in the long run as tuition fees are projected to increase by 5% every year (Abel & Deitz, 2014).

Furthermore, private sector corporations can be encouraged to invest in higher education. Notably, the US is home to the world's largest private enterprises that require a highly educated workforce to conduct their major operations, and they can be persuaded to contribute to the development of that workforce. In addition, Marks and Sparkman (2019) showed that higher education public-private partnerships in the US had focused more on academic support in recent years than administrative collaboration in the past. Considering this trend, the public sector can partner with these corporations to generate funding for deserving and qualified students. Funding higher education can be more sustainable and feasible through such a cost-sharing model. All

factors considered, instituting free college would lead to increased taxation and inefficient budgeting and is unnecessary as alternative sustainable mechanisms exist.

An additional issue is that Government-funded free tuition can lead to a lower quality of education, defeating the actual value and purpose of higher education. Free tuition would lead to higher enrollment rates that could result in teaching quality issues. Research has consistently demonstrated that large-class size negatively impacts attention spans and interaction-level between teachers and students (Chingos, 2013). And as the number of students would increase in a free college system, it could put a strain on maintaining teaching and learning quality. Moreover, higher enrollment rates would increase administration and infrastructure costs for higher education institutions and affect the education quality. According to a study, administration spending in higher education institutions across the US increased by 2.3% each year (Hogan, 2015). Institutions across the US are becoming increasingly unable to fulfill the costs of maintaining effective infrastructure and administrative systems, leading to 300 to 1000 closings and mergers per year (Stowe & Komasara, 2016). Hence, with more students, the costs of administration and infrastructure would rise, forcing more institutions to introduce cost-reduction measures such as mergers that would affect the quality of education.

The quality of education would also take a toll on the free college system due to lessened competition. Several studies have established that students who received merit-based grants produced more high-impact academic output (Vasil'ev, 2019). As one's merit and interest in higher education are a prerequisite for receiving financial aid in the targeted funding models, evaluating deserving students is a necessary step involving competition. In contrast, without the competition for grants, the quality of the students seeking higher education would decline as it would remove the incentive for students to improve themselves. Therefore, all these factors can

contribute to a lower quality of education in a free college system, reducing the benefits of higher education.

Another reason to oppose free college is that it is unfair for everyone to pay increased taxes to fund it. Firstly, more college enrollment due to free tuition would not ensure more college completion, and much of the revenue would be wasted on dropouts. A study revealed that the college completion rate in the US has consistently remained at about 57% since 2012, regardless of the changes in the enrollment rate (Whistle, 2019). Although most of these students drop out due to the high cost of college, free college does not address the other factors that lead to dropping out. A survey revealed that only 38% of college dropouts leave college due to financial difficulties.

In contrast, others drop out due to academic disqualification, inability to fit into the social life at college, health problems, and mental and psychological issues (ThinkImpact, 2021). Hence, much of the taxpayer's money would be unfairly spent on students that won't complete their programs. Secondly, the governments would have to apply increased taxes to cover the rising tuition costs; and more taxes, even if class-based, would lead to lower economic output, which would be unfair to the taxpayers. An OECD study quantified that a 1% increase in corporate tax led to a 2.4% decline in production (Vartia, 2008). It implies that increased taxes disincentivize business, investment, and innovation and can be detrimental to the financial progress of the taxpayers. Although an accessible higher education can add value to all sectors of the economy and hence benefit everyone, these positive outcomes would require a long-term period to materialize and do not address the issue of immediate revenue constraints. For these reasons, implementing more taxes on taxpayers to generate revenue for free college would be

unfair to them as much of it would be inefficiently wasted and would negatively impact economic productivity.

While it is true that the high cost of college shuts out many clever students from low-income backgrounds, higher education opportunities can be provided to such students more effectively by improving the financial aid and cost-sharing mechanisms compared to free college. Cost-sharing and restricted funding programs can be enhanced to ensure smooth access to funds for deserving students of low-income and underprivileged backgrounds. Baum and Terrones (2022) found that of all grant-receiving students in 2021, 33% were funded by different federal and state grants, while the rest received funding from institutions and other private avenues. They projected that improved federal-state coordination on higher education spending could increase the share of public-sector grants by up to 44%. For instance, the Pell Grant is a funding program that subsidizes the cost of attendance of low-income students with a budget of about \$30 billion and has covered the cost of college for up to seven million students each year since 1975 (Baum & Terrones, 2022).

Similarly, state programs such as the HOPE Grant of Georgia combine merit and needs-based criteria to provide college funding to deserving students, achieving desirable outcomes in enhancing college accessibility (Delisle, 2020). The federal government and the states can harmonize these disparate grant structures to strengthen the reach of these programs. In a free and open college system, deserving students would get the opportunity to study merely as a side-effect, as anyone may get free tuition. Also, colleges would seek to earn more from alternative sources such as admission fees and non-tuition services as their primary source of income would be regulated, thus maintaining the overall high cost of higher education. According to a Brookings study, students from the bottom 50% of income levels at public universities would

still need to pay 18 billion dollars in other non-tuition expenses even if the government funds college tuition (Chingos, 2016). That is, free tuition would not benefit lower-income students as the cost of college would remain similar through expenses such as dorms, transport, supplies, and admission processes. Hence, a better way to ensure that lower-income deserving students get the chance to study would be to enhance targeted financial aid systems that would identify such students and share most of their college expenses.

Those who favor free tuition argue that such a system would counter social inequalities and not necessarily affect education quality. It is argued that more people from underprivileged backgrounds could enter college if the government bears the largest expense: tuition fees. To their credit, evidence shows a positive effect of diversity and social equality in an academic environment on learning outcomes (Schuelka et al., 2019). However, free college would not necessarily lead to more diversity. Finishing college would remain difficult for low-income students as the non-tuition costs would require up to \$18,000 per academic year (Chingos, 2016). Therefore, free college would still primarily benefit privileged students.

Moreover, they also argue that education quality can be maintained in a free college through enhancing teacher training and career counseling. It is claimed that teacher training programs would train teachers to handle more students effectively while career counseling of students would ensure that they enroll in courses of their interest. This argument sounds convincing if not for the fact that taking these steps would require additional funding and incur more costs apart from the cost of tuition. According to the US education department, the government spent 3.8 billion dollars on professional development programs in 2020 (EVIDENCE). This spending would have to be substantially under a free college system. Thus,

free college would neither ensure diversity and equality nor would it be able to maintain quality of education except through additional measures that would incur additional costs.

To sum up, it is clear from the above arguments that free tuition has more disadvantages than benefits. Not only does it rely heavily on public sector funding, it demands a high quantity of revenue that no government may be comfortable spending. It could also result in lower education quality, which would inevitably damage the students' chances of success in the job market. In addition, it is unfair to the taxpayers and dangerous for economic productivity to implement increased taxes for higher education. Finally, although instituting free tuition may be a viable shortcut to achieving increased college enrollment, better alternatives that consider other factors, such as college completion and the overall cost of college, should be explored. Some of these alternatives can be to reform the established federal and state financial aid mechanisms and encourage public-private partnerships to support promising students from lower-income backgrounds.

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