

# US college tuition skyrockets

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The economic recovery touted by the Obama administration—and celebrated on Wall Street with record salaries for top bankers—is not being shared by the nation's college students and their families.

A new study by the College Board shows that tuition for the 2009-2010 academic year increased at US public colleges by 6.5 percent on average to \$7,020, following a virtually identical increase last year of 6.4 percent. If room and board are added the average cost is \$15,193.

At private colleges tuition jumped by 4.4 percent, to \$26,273, or \$35,636 with room and board. At community colleges it also increased by 1.6 percent to \$14,285, all costs included.

Tuition costs grew far more rapidly than inflation over the same period, which actually declined by 2.1 percent in the twelve months following July 2008, based on the consumer price index. In fact the cost of attending public universities has been outpacing inflation for many years, with the average annual tuition increase at public universities during the “boom years” of the 1990s more than 4 percent, and from 2000 on about 5 percent per year.

Wages, meanwhile, have stagnated for decades, when adjusted for inflation, and have actually declined outright this year.

“The struggle of families to pay for college is largely attributed to rising prices, but also to the fact that incomes are simply stagnating,” said Sandy Baum, a policy analyst with the College Board. “Families are facing these prices with incomes that are not making any progress at all.”

Public schools have seen their funding from state

governments slashed across the country, a result of the economic crisis that erupted a year ago. Administrators and trustees have responded by reducing staff, increasing class sizes, and, most of all, increasing tuition. In the states of Washington, Florida, and New York, tuition has been increased this year by more than 15 percent.

As a direct consequence of the fiscal collapse in the state of California, the state university system has increased its tuition by one third, while the University of California has increased it by about 8 percent and will enact a much larger tuition hike by next fall.

On September 24, about 5,000 students, professors, and university workers rallied against furloughs, wage cuts, and tuition increases at the University of California, Berkeley. Most professors did not teach that day, and pickets were organized. (See “California students and faculty denounce education cuts”)

In Arizona, tuition has increased by as much as 24 percent. Arizona State University junior Sarah Atwill told the *Arizona Republic* that, as a result, she is forced to work 40 hours per week rather than 15. “It’s dramatically impacted my life,” the 19-year-old history major said.

In Kansas, public tuition increased by 8.3 percent after state lawmakers slashed funding to the university system by \$63 million. In Pennsylvania, it increased by 4.6 percent to nearly \$11,000, making the state’s public colleges the fourth most expensive in the country. In Virginia, the increase has been close to 5 percent, in Michigan as high as 9 percent. This has been the case in virtually every state.

Private colleges have not escaped the crisis. Endowments, often heavily invested in the stock market, have eroded sharply, among them those of

Harvard, Yale, and Princeton. Stanford University's investment group, Stanford Management, lost some \$4.6 billion of the school's endowment in bad bets on private equity and real estate.

"Once you get past budget cuts such as program reduction, layoffs and furloughs—the order of the day at just about every institution—you're really only left with tuition," said Terry Hartle of the American Council on Education. "That is acting as a fiscal balance wheel at many institutions, making up the difference between lost revenue from other sources and the funding they can't come up with."

The College Board study also revealed that two thirds of those graduating with bachelor degrees in 2007 and 2008 graduated with a median debt load of \$20,000. These debts must be repaid as students enter the worst job market for college graduates in decades.

And while national borrowing to pay for school increased by 5 percent, almost all of the increase took place in government loans—especially unsubsidized Stafford loans. Private lenders have vacated the market or have tightened lending standards to students. As a result total private loans fell from \$24 billion in 2007-2008 to under \$12 billion last year.

"The private loan capital for higher education may well be drying up," said Hartle of the American Council on Education. "This is intriguing because it seems like a fundamental shift."

The Obama administration responded with indifference towards the news that working class and middle class families are facing impossible higher education costs. The White House issued no response to the College Board report. The administration's assistance has been limited to a modest allocation for per student increases of federal Pell Grants.

Cuts to college funding have been carried out by Democrats and Republicans alike. These funding cuts have been translated into tuition increases by politically-appointed boards of trustees and college presidents who are remunerated in the hundreds of thousands. From within official quarters and established

politics—including the so-called trade unions—there is no opposition to the assault on college education.

As they take the axe to spending on education and social programs, and lay off workers, everywhere the politicians proclaim "there is not enough money."

This is a lie. If the states have no money, it is the result of definite policies and social priorities that place the profits of big businesses and the personal fortunes of the rich above social needs, including higher education. This is most transparent in the case of the federal government, which under the Obama administration has handed over trillions of dollars in cash infusions, loans, and debt guarantees to the biggest financial concerns. Now these banks, whose reckless speculation triggered the economic collapse, are reaping windfall profits.

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