

**OPENING STATEMENT ON
THE RISING COST OF COLLEGE TUITION
Senator Joseph Lieberman
February 9, 2000**

The high price of a college education is an issue of growing concern for American families. Over the past twenty years, tuition has more than doubled at both public and private schools. Yet, subsidies to schools, in the form of state appropriations, as well as aid to students and their families, have failed to keep pace with those cost increases.

Parents are painfully familiar with these developments. Everywhere I go in Connecticut, they're worried about how they are going to help their children pay for college. So, I was not surprised to see in a *Washington Post* poll last October that 63 percent of Americans with school-age children worried "a great deal" about college costs. Even more striking, a report by the American Council on Education found that 71 percent of Americans believe that "a four-year college education is not affordable for most Americans," while 65 % list cost of a college education as a top concern, ranking it ahead of violent crimes against children, children's healthcare, and quality of public schools.

Parents seem to be willing to shoulder almost any burden to give their children the help need, but when they hear the College Board reporting that "four-year college tuitions increased an average of more than 110 percent over inflation" since the early '80s, they fear that the burden is increasing to back-breaking proportions, and that their children will be priced out of the market.

The stress on individual students and families is only part of the story. There is also a powerful connection between our nation's ability to provide higher education and its ability to maintain healthy economic growth. We regularly hear from employers about America's shortage of skilled workers necessary to help them compete globally. If college becomes a luxury that an increasing percentage of our population cannot afford, the economic divide between higher education "haves" and "have-nots" will widen to the point where it undercuts the American dream and stunts our economic growth.

So today, we will ask our witnesses, "why is college tuition so high?" The schools tell us that they are providing an expensive and highly valuable product - an education that will mean thousands of dollars more in future earning power for graduates. But many parents are concerned that schools may not be using their tuition dollars as efficiently as they should be - that perhaps they are paying more for a college education than is really necessary. So we want to look at the component parts of tuition, those costs incurred by institutions in providing education, and ask whether colleges and universities are doing everything they can to hold down their expenses.

From the student's perspective, the amount of aid he or she receives is as important as the "sticker price" of tuition in terms of college affordability. So, we will look at the

subsidies for higher education, and we will ask whether aid to students and schools is adequate. Even before public universities set tuition, for example, state appropriations are enormously important offsets against public school costs - and just over three-quarters of undergraduates go to public colleges and universities. Many private schools can use their endowments to offset costs and lower tuition. In addition there are scores of federal, state and private grant and loan programs that assist students in paying their tuition.

We will also look into the growing and controversial use of "merit aid," sometimes referred to as tuition discounting, which can dramatically affect the price tag of a student's education. College applicants and their families should know that when a school gives a "sticker price" for tuition, that may just be the beginning of a negotiation; asking for a better price is an increasingly successful tactic, even for students who do not qualify for "need-based" aid programs. As we will see, most of our witnesses oppose this practice, but students should be aware this is an option for them.

We will want to zero in on the impact of loan debt on students. As our higher education finance system relies increasingly on loans rather than grants, and students are finding themselves carrying tremendous debt burdens, what affect does that have on their educational, career and life choices?

And finally, we will discuss scholarship fraud, which results in an estimated \$100 million annual fleecing of vulnerable students and parents. The most common scams involve a required fee up front in exchange for guaranteed success in locating a scholarship and sales pitches disguised as free financial aid "seminars." Families already stressed-out over exorbitant tuition fees should be aware of the illegal schemers who lay in wait for them.

I hope we can learn from these hearings whether the nation is on track in providing access to higher education, and whether government is doing everything it can to ensure college affordability. I'd like to extend a special welcome to Dr. Claire L. Gaudiani, President of Connecticut College in New London, Connecticut, who we will hear from today. With that, Mr. Chairman, I thank you for holding this hearing — particularly over two days, which I think is necessary for such complex subject matter — and I look forward to delving deeply into these very crucial questions.