

EDUCATION

Tuition hikes hit poor harder

Richer students getting more discounts, aid, federal data show.

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America's colleges and universities are quietly shifting some of the burden of their big tuition increases onto low-income students, while many higher-income families are seeing their college costs rise more slowly or even fall in some cases, an analysis of federal data shows.

It's a trend financial-aid experts and some university administrators worry will further widen the gap between the nation's rich and poor as college degrees drift beyond the economic reach of growing num-

bers of students.

"We're just exacerbating the income inequalities and educational achievement gaps," said Deborah Santiago, co-founder and vice president of Excelencia in Education, a nonprofit group that advocates for Latino and other students.

Wealthier students still pay more for college educations, on average. But to help colleges maintain enrollment numbers, keep revenue rolling in and raise standings in annual rankings, richer students are getting billions of dollars in discounts and institutional financial aid that many critics say should go instead to their lower-income classmates.

"Schools are talking out of both sides of their mouths.

They say that they support access, but in general they're giving more and more of their aid to higher-income students," said Stephen Burd, a senior policy analyst at the New America Foundation, a nonprofit think tank.

Burd calls the practice "affirmative action for the rich."

The trend was uncovered in a national project by the Education Writers Association, the Hechinger Report and the Dallas Morning News. This newspaper participated in the project and analyzed the data from 2008 to 2012 for Ohio colleges.

The examination found:

■ At 10 public community colleges and universities in Ohio, the net cost to low-income students increased by an average of \$3,490; meanwhile, the increase for the high-income students — those in an income category of \$110,000 or more — had an average increase of \$1,891.

■ The gap was even wider at five area private schools — the University of Dayton, Cedarville University, Urbana University, Wilberforce University and Wittenberg University. The average net increase for low-income students at those schools, or those in an income category of \$30,000 or less, was \$3,409; for high-income students, it was \$509.

■ At four area schools included in the study — Urbana, Wilberforce, Sinclair Community College and Edison State Community College — upper-income students had an average decrease in their net costs, while low-income students at the same schools had an increase.

■ At Urbana, net out-of-pocket costs for the lowest-income students rose \$4,500 while they decreased for the wealthiest students during that time by \$3,100. During the 2011-12 school year, the wealthiest students at Urbana paid just \$1,400 more in college costs than those at the lowest end of

the income scale.

Until a few years ago, net price information was hard or impossible to find. Now, colleges and universities must annually disclose their so-called "net price," which is the total cost — tuition and fees, room and board, books and other expenses — minus grants and scholarships from federal, state and local governments and the college.

There are shortcomings with these figures — most notably that they take into account only full-time, first-year students who receive federal financial aid. At Urbana, for example, just 27 percent of entering students were counted as full-time, first-year students in 2012, according to the U.S. Department of Education.

Some colleges and universities also dispute the government's formula for determining the net price.

Still, the data offer the most comprehensive and transparent look at what students of varying financial means really pay. And because the government's net-price figures have been calculated consistently for the years studied, they are the best available measure of how financing patterns are changing.

Working the system

The cost shift runs contrary to an Obama administration push to make a college degree more affordable for low-income students.

In fact, lower-income and working-class students at private colleges and universities have seen the amount they pay, after grants and scholarships, increase faster than the amount their middle- and upper-income classmates pay, according to an analysis of data that institutions are required to report to the U.S. Department of Education.

The net price rose for all students by an average of \$1,100 at public and \$1,500 at private univer-

sities between the 2008-09 and 2011-12 academic years, the most recent period for which the figures are available.

At private universities, students in the lowest income group saw the biggest dollar increase over that period: about \$1,700, after adjusting for inflation, according to the analysis. Higher-income students paid more overall, but their costs rose more slowly – an inflation-adjusted average of about \$850 for middle-income families and \$1,200 for those in the top income group.

Financial-aid officials say higher-income families have learned to work this system, pitting institutions against one another to negotiate for discounts while also capturing a lopsided share of outside scholarships.

This phenomenon is occurring even as colleges and universities contend they are less and less able to help low-income families financially. Higher-income families also disproportionately benefit from tuition tax breaks and an outdated formula for the taxpayer-supported federal work-study program, critics say.

"If this really is an era of tight resources, then we need to make every dollar count," said Julie Strawn, a former senior fellow at the Center for Postsecondary and Economic Success. Instead, Strawn says, "We're pitting groups of students against each other, most of them from families that make less than \$30,000 a year, on the premise that there just isn't enough money to invest in low-income people going to college."

In Ohio, changes at the state level involving community colleges may have

impacted the price disparity, according to Adam Murka, Sinclair's spokesman. The state in 2009 made low-income community college students ineligible for the Ohio College Opportunity Grant. Since that time, community college students have borrowed an average \$1,000 more to pay for their education, according to a study from Community Research Partners released last year. The grant is still available to students at four-year colleges and universities, including those at for-profit schools.

The data for Sinclair shows middle-income students and upper-income students had a decrease in their net price, while low-income students had an increase of \$1,331.

The net price changes at Urbana do not reflect an intentional strategy to recruit students from wealthier families, said Dave Ormsbee, vice president for enrollment management. Ormsbee said a small number of Urbana's 161 freshmen come from the highest income bracket.

"We serve students who come primarily from lower- and middle-income families; typically about 75 percent of our students qualify to receive the Pell Grant, for example," he said. The Pell Grant is federal financial aid available to low-income students.

Urbana did have a change in its academic scholarship program in 2011 to award money to students in the honors program and presidential scholars, he said. Those students often come from homes with higher incomes, he said.

Need versus 'merit'

Colleges and universities last year gave about \$8.3 billion in so-called merit aid to students whose family incomes were too high for them to qualify for government-issued Pell Grants, the College Board reports. Three-quarters of Pell recipients come from families that make \$30,000 or less per year.

A 2011 U.S. Department of Education report says public and private colleges and universities are reaching out more to higher-income students to keep revenue coming in during a tough economy. Better-off students also tend to bring the kinds of entrance-test scores and grade-point averages that make colleges look better in annual rankings.

Since 1995, the proportion of students receiving merit aid has overtaken the proportion that gets need-based aid, according to the Education Department report. During that time, the number of merit-aid students nearly doubled at private institutions, going from 24 percent to 44 percent, and more than doubled at taxpayer-supported public universities, jumping from eight percent to 18 percent.

"There are good arguments for institutions to make limited and judicious use of merit aid," the University of Southern California's Center for Enrollment Research, Policy and Practice and the Education Conservancy jointly said in a joint statement in 2011. But "the practice has grown to the point of significantly reducing the funds to qualified students from lower-income households who could benefit from a college ed-

ucation."

Knowing there is money available, higher-income families have gotten more aggressive in negotiating for it, say directors of admission and financial aid.

"Families love the idea of merit," said Donald Bishop, Notre Dame's associate vice president of undergraduate enrollment. "But what it really is, is a bald-faced discount. I get calls all the time from parents who say, 'Well, my children have been offered a full-ride at these schools, half tuition at these schools, and what are you guys going to do?' They're good at, and motivated to, look for money. Those are usually the people who are trying to hammer the colleges."

Federal figures show that students from families earning more than \$100,000 a year got an average of \$10,200 in institutional financial aid – eclipsing the \$8,000 average for families earning under \$20,000. Some suggest colleges are using their own financial aid to court higher-income students because they know those at the low end have access to government-subsidized Pell Grants.

"Institutions are really allocating resources to attract those not full-paying, but close to full-paying, students to secure the revenue they need," said Laura Perna, a professor at the University of Pennsylvania's Graduate School of Education and an expert on higher-education financing. "As any rational actor, they're making decisions in their own self-interest, but those are not necessarily in the public interest."

THE COST OF COLLEGE

Colleges are now required to report the "net price" to attend. That is the amount a student pays out-of-pocket for tuition, room and board, fees, books and other costs after scholarships and grants are subtracted. The Dayton Daily News participated in a national project that examined trends in net price and found tuition increases are burdening low-income families more than those with high incomes.

| COLLEGE NAME | AVERAGE NET PRICE INCOME GROUP \$0-\$30,000 | | AVERAGE NET PRICE INCOME GROUP \$48,001-\$78,000 | | AVERAGE NET PRICE INCOME GROUP MORE THAN \$110,000 | | | | |
|-----------------------------------|--|----------|---|----------|--|----------|----------|----------|----------|
| | 2008-09 | 2011-12 | 2008-09 | 2011-12 | 2008-09 | 2011-12 | | | |
| PRIVATE UNIVERSITIES | | | | | | | | | |
| Cedarville University | \$15,407 | \$16,929 | \$1,522 | \$20,012 | \$20,338 | \$326 | \$25,236 | \$25,356 | \$120 |
| University of Dayton | \$15,078 | \$21,294 | \$6,216 | \$22,958 | \$26,339 | \$3,381 | \$26,498 | \$30,033 | \$3,535 |
| Urbana University | \$13,448 | \$17,948 | \$4,500 | \$14,965 | \$19,602 | \$4,637 | \$22,494 | \$19,389 | -\$3,105 |
| Wilberforce University | \$10,891 | \$13,506 | \$2,615 | \$15,973 | \$17,851 | \$1,878 | \$17,106 | \$17,026 | -\$80 |
| Wittenberg University | \$18,727 | \$20,922 | \$2,195 | \$19,871 | \$23,087 | \$3,216 | \$27,159 | \$29,234 | \$2,075 |
| PUBLIC UNIVERSITIES | | | | | | | | | |
| Central State University | \$10,233 | \$11,623 | \$1,390 | \$13,741 | \$15,015 | \$1,274 | \$14,139 | \$16,361 | \$2,222 |
| Miami University | \$10,336 | \$17,944 | \$7,608 | \$19,429 | \$25,101 | \$5,672 | \$23,247 | \$27,413 | \$4,166 |
| Ohio State University | \$7,949 | \$13,273 | \$5,324 | \$17,283 | \$20,522 | \$3,239 | \$20,351 | \$24,559 | \$4,208 |
| University of Cincinnati | \$13,814 | \$16,451 | \$2,637 | \$20,029 | \$21,660 | \$1,631 | \$22,087 | \$24,299 | \$2,212 |
| Wright State University | \$12,285 | \$15,502 | \$3,217 | \$18,472 | \$19,164 | \$692 | \$19,140 | \$20,979 | \$1,839 |
| COMMUNITY COLLEGES | | | | | | | | | |
| Cincinnati State Technical and CC | \$9,292 | \$12,551 | \$3,259 | \$13,404 | \$14,498 | \$1,094 | \$13,774 | \$15,261 | \$1,487 |
| Clark State Community College | \$4,274 | \$5,698 | \$1,424 | \$7,169 | \$8,080 | \$911 | N/A | \$9,753 | N/A |
| Edison State Community College | \$3,464 | \$7,093 | \$3,629 | \$8,543 | \$9,798 | \$1,255 | \$9,933 | \$9,842 | -\$91 |
| Sinclair Community College | N/A | \$3,973 | N/A | \$6,123 | \$4,627 | -\$1,496 | \$6,831 | \$5,148 | -\$1,683 |
| REGIONAL CAMPUSES | | | | | | | | | |
| Miami University Hamilton | \$8,311 | \$10,967 | \$2,656 | \$13,334 | \$14,613 | \$1,279 | \$13,843 | \$15,948 | \$2,105 |
| Miami University Middletown | \$7,875 | \$11,639 | \$3,764 | \$12,885 | \$14,491 | \$1,606 | \$14,083 | \$16,536 | \$2,453 |