

# Argumentative essay on classdate

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## **The factors that drive College Tuition fees**

On the other hand, it could be argued that increasing productivity in higher education may be difficult without compromising the quality of the services offered (Archibald & Feldman.) They argue that the costs of the higher education industry has increased at the same rate that the costs for every other industry that employs highly educated and skilled workers has increased like doctors, lawyers and dentists. Since the productivity growth is slow and cannot be increased without compromising quality and wages for highly skilled workers have increased at the same time, the costs of higher education have naturally increased. They also argue that technological innovation has actually led to higher costs in the industry as colleges and universities are often the first people to adopt a new technology because the faculty needs it to be more productive. Also, preparing the students for the job market means that they need access to new technology as soon as possible and this leads to great costs for the colleges. Like Vedder and Ehrenberg, they advocate for change in the financial aid process as well, saying that low and middle income attendance to college is dropping due to the rise in tuition costs. They ask for a more universal system so that all students know what is expected of them and the application and receipt of the aid is simple. Another simple reason that colleges do not have any incentive to keep costs down and prices down is the fact that colleges do not compete on price like other industries do. Since colleges compete on prestige to attract the best and the brightest students, they have to spend the money on their facilities, research etc. to increase the prestige of their colleges and attract better students. However, the market is becoming more

competitive since more students are thinking regionally and nationally before choosing a school whereas more students chose to attend a school closer to home before. This has meant that the colleges have had to start offering more discounted fees to the students they want to attract meaning that the fees have increased for others to make up for this added cost. Vedder, Ehrenberg, Archibald and Feldman all seem to suggest that government intervention in the industry is doing more harm than good. Vedder argues that since the financial benefits of getting a college degree are huge, there is no reason for the government to be helping with financial aid. He also contends that the government should not be funding research at universities as "there is some doubt, however, whether the university is a better venue for most research than, say, private laboratories or nonprofit institutions." Governments should instead be supporting the students directly through voucher programs. Ehrenberg writes about cost pressures that the government causes- the Justice Department's demands of institutions to reduce need based aid has resulted in more merit based aid which has caused financial aid packages to get more expensive, the Basic Educational Opportunity Grant has also not increased its cap at the same rate as inflation and the remainder has to come from the institutions and the costs of doing research has also increased because the government has put pressure on the universities to reduce indirect cost rates and raise expectations for matching the funds they receive. Archibald and Feldman do not think it is likely that government intervention would mean that the pricing in the industry would become more competitive without side effects. Most of these points made are confirmed in a numerical study by Rothschild

and White. They find that the productivity does decrease and the costs increase as more professors are granted lower course loads and larger research loads. Since courses build revenue and research does not for the most part, that means that that the money made from teaching undergraduates is used to subsidize the research and since there is now less teaching and more research more money is needed per hour of teaching and therefore costs to the students rises. Their research also reiterates the fact that the colleges are not competing on price and therefore do not care much about reducing the fees they charge. They conclude that since the colleges are non profit and are usually mostly funded by third parties, they do not adhere to price demand rules in the free market to the whole extent and therefore, price cutting is not their first priority. Since there is a strong correlation between prestige and tuition charged, they tend to spend money on increasing their prestige so they can charge higher fees in the future, meaning that the fees will keep going up (Rothschild & White.)

However, this is not to say that the college system needs to be overhauled completely. The system in the United States has had many victories (Bok) and has expanded vastly to accommodate more students and reach more sections of the population. In fact, the diversity and breadth of the student population now has never been matched before and there are more people than ever getting college degrees. American research and science and other fields is still one of the best and most pervasive and international students come to the US to study in droves which is a testament to the quality of the system here. He does agree with Ehrenberg that institutional changes are slow and cumbersome but have shown signs of abilities to adapt quickly. He

argues that faculty members still spend most of their time teaching and not researching and like Archibald and Feldman, he says that the rise in prices is not to be blamed entirely on higher education but the salaries are driven by the market for talent and skill which is very competitive and faculty members command salaries like any other skilled field. Improvements to housing, dining and recreational facilities on college campuses are not unlike such facilities outside the campus where improvements are carried out all the time in society.

In conclusion, declaring that college prices are too high may be too simplistic of a statement. An investment in a college education can still pay great financial dividends. Highly skilled teachers and the latest technology is needed to best prepare students for the workplace and this drives costs. However, there are ways that colleges can become more efficient, not through cutting salaries of the professors but through quicker adaptation to changing market needs and more agile organizational structures. In the end though, in many ways the benefits of a college education will almost always outweigh the costs.

## **Works Cited**

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