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Why is an American College Education Becoming Unreasonable to afford and How Does it  
Affect us?

As we come to the new era of the informative age, strides and advancements in technology have kept Americans ahead of other nations. Americans must keep creating and providing new ideas in order to stay ahead of rising nations. A large part of this development is formed through higher percentages of people obtaining a college education. Here in the U.S. education sparks innovation and also helps to enhance the skills for a smarter workforce. With the rise of tuition in the United States, gaining a college education has become difficult for students to afford. Thus posing the questions: will the growing need of a higher education be too difficult to afford? And why are educational institutions in America putting so much financial pressure on students? I asked these questions to figure out why American Colleges costs so much and to get a better understanding of how it affects students as well as the economy.

In a video that was posted on YouTube called, "Is High College Tuition Defensible". Senior Fellow of Stanford University's Hoover Institutions, Bruce Bueno de Mesquita, argues that high and rising tuition rates are defensible. He states in his first defense, "I benefit from high tuition rates and increasing costs of course, because I'm a professor!" He then argues that there is an increase of people attending college after high school in comparison to a few years ago and that the numbers will continue to rise. "In order to compete with other colleges or private institutions, colleges must provide good resources for their student body as well as updated

facilities and technology in order to make the college attractive to prospective students”. He states, “This leads to an increase in spending that the college has to invest in order to accommodate the growing needs of students and maintain a high level of attraction for potential students”. Bruce Bueno de Mesquita also mentions that students have many resources available to them such as scholarships, grants, tuition reimbursement and loans. Though this is true that there are plenty of resources, he misses key factors for getting assistance. This is because Bruce came from an upper middle class family, that could have afforded paying for his college education, yet he mentions having received a free college education from taxes that were taken from low income families. “Those low income families never sent their children to college were essentially paying for my education”. After watching the video I found Bruce Buenos statements to be discrediting in a sense that he does not seem to have any rhetorical sensitivity towards his every day audience which are the students. This is because he never had to pay for tuition, therefore showing that he does not have an understanding of how it is to pay for college and the rise of inflation and living that factor into the equation as well. Bruce also seems to not take many things into consideration such as how the rising costs put pressure on students as they continue their pursuit for a career in the United States and the situations of many who do not qualify for Pell grants. Since it has its requirements that are based off financial need with the consideration of your parent’s wages affecting whether or not an individual will receive assistance or not. Even if they do qualify, many students have little or no funds for paying the remaining balance on their tuition debt this is after having most of it paid by Pell grants. He also mentions that loans are available for college students, yet it all becomes a pile of debt with interest, once the individual is graduating

As stated on CNN Money's Webpage, "the Average College debt in the U.S. is about \$27,000" (Ellis Blake). To put it into perspective I added the yearly Average interest rate on student loans which is "as low as 7.9%" according to the website Fin Aid, a website based off college financial assistance and information. And worked out the numbers on CNN's College loan calculator to find that, by paying \$400 each month, an average college student will pay \$8,824 in additional interest. And will not get the loan fully paid off for seven years.

The growing debt created from high tuition rates has great impact on the economy as well. In the article, College Student Loan Debt Crisis and Its Effect on the Economy, Marcos Cordero states that,

"College costs are rising even faster than the costs of medical coverage. So instead of young adults graduating with hopes and dreams of a better future, they are graduating with the pending doom of creditors. I have major concerns about debt stifling entrepreneurship. Many graduates may no longer be willing to take the entrepreneurial plunge with a large monthly student loan bill that needs to be paid. And, as we all know, small business creates jobs; so, a lack of entrepreneurship would only further hinder economic progress." (Cordero)

The statements that were made in Marcos Cordero's article are credible. After researching several sites to establish whether his statistics were true, I found that all of them had the same number for the 2012 year average college student debt.

Tuition increases have an affect in my own life both financially and mentally. At 18 years of age we are considered adults and begin to take on more responsibilities. One of the responsibilities that I have acquired is the purchase of my first home. This was due to high costs of apartments and being in need of a place to live in. When tuition is due at the beginning of each semester I budget and save up just enough to pay for my classes. Even though tuition rises by a

few dollars, those dollars add up and can have great impact on me psychologically. As it rises it makes me react in somewhat of a panic. Therefore I tend to overload myself with classes at times because the longer I take to graduate the more I will pay over time due to tuition increases. I interviewed several of my friends from a social group here at school. Out of ten people that I surveyed 8 said that they felt like they were in a similar situation. As tuition rises it becomes increasingly difficult to pay out the money that is required in order for me and fellow peers to enhance our scholarly backgrounds. Even though the increases seem to be small per semester, overtime they continue to grow like compound interest. They will not only affect me but future students as well. Last semester with tuition and books, I paid \$1,487 dollars and only took 10 credit hours. I would like to take more courses but due to high cost it has been difficult to pay more for a higher amount of credit hours. Some individuals have now turned to working two jobs and taking time off school for a semester in order to save up for college with fear that the debt from student loans would be overwhelming once they graduate. This is potentially dangerous due to the growing concerns over social security and whether or not it will still be available when my generation is due for retirement. Many people could go into the workforce without much knowledge and understanding of building up assets or making smart financial decisions. My concern is that with less people being educated the effects will be damaging for future senior citizens who might have to continue working due to low paying jobs in a low income workforce.

The rise of tuition has created more defaults on loans that have been taken out by students. CNN money stated that the U.S Department of Education reported an increase in students defaulting on their loans. The percentage “jumped from 8.8% to 9.1% in the 2011 fiscal year”. The article states that with more students taking out loans to pay for school, it has created large amounts of debt. The article also states that, one in every five households has student loan

debt from a study conducted by the U.S Department of Education. This means that as college tuition rises, so does debt and the weakened economy.

The economy could take a plunge with the increasing debt and not only that but it could make it very difficult for future students to attend college. In CEO of Gradsav Marcos Cordero's article, "College Student Loan Debt Crisis and its Affect on the Economy", he argues that the high tuition which has led to an increase in the national debt is an economic concern for the nation. He not only argues that the debt is overwhelmingly high, but that it can also create problems for future college students or potential college students.

"There are obvious concerns about the availability of loans 15 years from now, given the current student debt crisis. So just think of what happened in the mortgage space when borrowers just couldn't get any more loans, housing came to a halt. Similarly, there would be no student loans and, accordingly, only a small percentage of the population would be able to attend traditional college programs". (Cordero), paragraph 7.

This means that there are major concerns for future students who plan on attending college with the help of a student loan. Economist and many organizations such as the U.S department of education and the Department of Treasury predict that the growing debt from student loans will reach 1 trillion by the end of 2012. College education levels the playing field for the middle class. With the ability to attain a college education many are able to find jobs which can provide the income necessary for investing in a business or idea. This goes back to the fact that college education has sparked innovation in this country. In Corderos article he also states, "I have major concerns about debt stifling entrepreneurship. Many graduates may no longer be willing to take the entrepreneurial "plunge" with a large monthly student loan bill that needs to be paid".

As this year comes to an end it leaves many students like me questioning where the funds that we pay for are going. In an article that was published in Salt Lake Community Colleges newspaper, "The Globe", Shad Engkilterra states that tuition increases are based on the needs of updating facilities or providing better resources for students. Since 2007 SLCC students have experienced an alarming 12 percent increase as stated in the article. They also state that funding from the legislature has helped keep increases lower than the national average, yet 12 percent is still high. This means that had I taken 13 credit hours, in 2007, I would have paid \$1,327.92 versus what I will now pay for next semester's classes which is 1,509.00. That is an increase of \$181.08 not including books and that is per individual that takes 13 credit hours.

Though tuition increases are necessary for the advancement and rebuilding or updating of facilities and most importantly for giving professors competitive salaries, those increases should be monitored and stay as low as they possibly can. Professors should be compensated for their teaching skills, yet those in control of tuition should take into consideration smarter spending and less wasting of financial income produced by student, doing so not by taking from professors' salaries but by cutting unnecessary expenditures. Most colleges are discrete about the reasons for tuition increases and in my view they tend to overspend and therefore forcing students to pay more for their college education. By doing so it creates instability in college student's minds on whether or not they can afford going to college. Aside from all that it is leading to economic concerns for the future generations and those that will be dealing with the high national student loan debt. Rising tuition can be infringing on what I believe is a right for people to have which is the opportunity of attaining a reasonably affordable education. After researching this topic I learned how the local College tuition system functions. And what rising tuition does to the economy as well as the affects it can have on innovation and creativity.

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