

Are Tuition Freezes an Effective Strategy for Making Higher Education Affordable?

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Abstract

One of the strategies implemented by institutions of higher education to combat rising costs is to implement tuition freezes. Universities that implement tuition freezes have seen notable benefits, such as increased enrollment or lower amounts of debt for students graduating from their programs. However, tuition freezes also may lead to increased feed costs and prevent universities from investing in scholarship programs for lower-income students. Higher education leaders must ultimately consider the impacts of a tuition freeze and what strategies can be successful in keeping college costs affordable for individuals from low-income backgrounds.

Keywords

Tuition freeze; affordability

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Are Tuition Freezes an Effective Strategy for Making Higher Education Affordable?

With the increasing cost of higher education, many universities have implemented tuition freezes as a method for increasing student affordability and access. When tuition is frozen, universities are prevented from “increasing tuition beyond a set amount for a set amount of time” (Kelchen & Pingle, 2023, p. 2). An increasing number of universities have been implementing tuition freezes throughout the past decade, with many schools implementing them in response to the COVID-19 pandemic (Kelchen & Pingle, 2023). Universities that implement freezes often claim that a frozen tuition rate will make college more affordable for the average student (Lawrence, 2022). This paper will discuss the benefits and drawbacks of tuition freeze policies.

One of the major benefits of tuition freezes is their ability to make college more accessible for more students. Beginning in 2012, Purdue University froze their annual tuition rate for in-state students at under \$10,000 (Lawrence, 2022). In the years following, Purdue saw increased enrollment rates, and tuition revenue increased by over a third (Lawrence, 2022). This experience isn’t unique to just Purdue, as Kelchen and Pingle found that tuition freezes led to increased enrollment of both in-state and out-of-state students, primarily at less-selective universities (2023). Other major indicators, such as retention and graduation rates, have increased with universities that have frozen their tuition rates (Lawrence, 2022). Purdue University saw a major increase in the number of students who graduated without incurring any debt, with 60% of students graduating with bachelor’s degree in 2021 not taking out any loans (Lawrence, 2022). By keeping tuition costs frozen, institutions can increase the total number of students that attend college and earn their degrees.

Detractors of tuition freezes claim that the cost of attending college has not really improved for the students most in need. Phillip Levine, professor of economics at Wellesley College, noted that “lowering the sticker price [of college] is only useful if you’re wealthy enough to be paying it, and most students are not” (D’Amato, 2021). Freezing tuition only offers marginal relief to low-income families. The net price of college attendance rose for students from families that make less than \$48,000 a year, even at universities that froze their tuition (D’Amato, 2021). Frozen tuition rates have been shown to lead to increases in required student fees, thereby leading to no real decrease in price for students (Delaney & Kearney, 2016). Additionally, institutions with tuition freezes have less budgetary flexibility and are less able to redirect funds to student scholarships (D’Amato, 2021). In contrast, universities that increase tuition are also able to increase need-based aid, helping to channel extra revenue to scholarships for low- and middle-income students (Lawrence, 2022). For example, the University of Michigan increased overall tuition prices, but increased need-based aid, leading to a lower average cost of attendance for students from low-income families (D’Amato, 2021). Freezing tuition rates often benefits wealthier students who can afford full sticker prices to the detriment of those from lower-income backgrounds (Lawrence, 2022).

Tuition freezes fail to adequately address the affordability issues present in higher education. Universities that implement tuition freezes may do so in an attempt to increase enrollment numbers, but these freezes only lead to increased enrollment at specific types of institutions (Kelchen & Pringle, 2023). Additionally, tuition freezes don’t create new paths for students from low-income backgrounds to attend college, as the overall cost of attendance is still too high, even with a tuition freeze in place (Lawrence, 2022). Tuition freezes are simple to explain to the public, but they are not targeted at the students most in need (D’Amato, 2021). Instead of merely freezing tuition, universities can increase access by creating more need-based scholarships and lowering their overall cost of attendance.

Higher education leaders that are focused on lowering overall costs and increasing need-based scholarships have a few primary avenues to do so. First, universities can look to find additional sources of revenue that offset costs for students. A few notable opportunities for increased revenue include pursuing sponsorships, research funding and government grants, and philanthropic gifts (Kelchen and Pingle, 2023). Public institutions, in particular, have seen a growth of philanthropic giving to grant aid programs compared to prior decades (Cook & Turner, 2022). Additionally, channeling revenue from increased tuition costs into aid for low-income and middle-income students has been shown to be a successful strategy for reducing costs on those who would be most impacted by student debt (Cook & Turner, 2022). Lastly, it is important for colleges and universities to work with state legislatures and higher education agencies to increase funding for educational resources and programs that assist lower-income students (Kelchen & Pingle, 2021). While tuition freezes can be successful strategies for the right institutions, other strategies are necessary for addressing the root causes of college affordability.

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