TALKING ABOUT ... COLLEGE COSTS

Why is college so expensive today?

Like any business, there’s a lot of overhead at a college—and most of the expense is paying people. At private colleges, that means small class sizes, personalized advising, and enough faculty and staff to keep students safe, healthy, and on track to graduation. It’s not overpaid administrators…it’s not climbing walls…and it’s not fancy dorms—as so many people seem to think.

• Small private colleges provide personal attention to students (with about one faculty member for every dozen students). That’s expensive. How expensive? Well, more than anyone actually pays for college. The tuition that students and their families pay typically covers less than half of what it costs colleges to provide this personalized education. (Gifts and grants contribute the rest.)

• Research by the Gallup organization has shown that one of the greatest factors in post-graduate success and satisfaction in life is having a mentor who cares “about you as a person.”\(^1\) Personal attention is expensive, but it’s also valuable.

• At CIC colleges, an average of 37 percent of the budget is devoted directly to student instruction (and most of the rest goes to supporting other things that are essential for good learning, like classrooms, dorms, maintenance, and security).

• While it’s true that college tuition has increased a lot in the past 30 years—at every type of college—private college tuition has risen more slowly than either public or community college tuition.

The data in this document come from the U.S. Department of Education and other sources, with additional analysis by the Council of Independent Colleges staff. For the most recent data and complete references, visit [www.cic.edu/resources-research/charts-data](http://www.cic.edu/resources-research/charts-data).

**Instructional Expenses as Percentage of Core Institutional Expenses (2016-2017)**

- **CIC Colleges and Universities**: 37%
- **Public 4-Year Colleges and Universities**: 29%

**Average Student–Faculty Ratio (2017)**

- **Private Nonprofit 4-Year Institutions**: 12:1
- **Public 4-Year Institutions**: 17:1

**Growth of Tuition over Time (Adjusted for Inflation)**

SOURCE: The College Board, *Trends in College Pricing* (2018), Figure 4B.

I don’t see any way we could afford to send our child to a private college—the cost is so high!

The actual cost may be much lower than the sticker price, thanks to generous financial aid.

Well, I think we make too much money to get financial aid.

Private colleges offer financial aid to more students, and at more generous levels, than you might expect. Parents should talk with financial aid staff to learn about their options.

- Private colleges offer significantly more financial aid than other kinds of colleges and universities—90 percent of students at private colleges receive aid; 82 percent receive grants from the college itself.

- On average, private college students pay less than half of the published tuition.

- Collectively, students who go to private colleges receive more than seven times as much financial aid from their institutions as they do from the federal government.
The data in this document come from the U.S. Department of Education and other sources, with additional analysis by the Council of Independent Colleges staff. For the most recent data and complete references, visit www.cic.edu/resources-research/charts-data.
No one in my family has ever gone to a private college—it just never seemed like an option for us.

In the past, many private colleges were pretty exclusive. But today they enroll students from all backgrounds and income levels. In fact, lower-income students graduate faster from private colleges than from public ones.

I’m not sure my kid would even like being at a private college. He might not be comfortable among so many rich kids or students who all look the same.

Students at public and private colleges have about the same mix of backgrounds.

- Most CIC member institutions admit a majority of applicants. Students and families should focus on which college is the best “fit.”
- The demographic profile of private college students (in terms of race, ethnicity, and income) is very similar to the profile of public college students.
- First-generation and lower-income students thrive at private colleges, where they tend to graduate faster than similar students at public institutions.
The data in this document come from the U.S. Department of Education and other sources, with additional analysis by the Council of Independent Colleges staff. For the most recent data and complete references, visit www.cic.edu/resources-research/charts-data.
The way I see it, the only way to pay for college is to take out lots of loans.

More than a quarter of private college graduates never take out a student loan.

That’s probably because the families are wealthy. From what I hear, college graduates are overwhelmed by debt and can’t pay it off.

In most cases a student loan is as easy to pay off as a modest car loan.

- On average, students graduate from private colleges with about $20,000 in student debt. That’s the price of a new compact car—and only $4,500 more than the average debt carried by new graduates of public colleges.

- The student loan default rate for graduates of private four-year institutions in 2016 was 6.3 percent—lower than the rate at public institutions (6.8 percent) or for-profit institutions (13.7 percent).

- The students with the largest debts are professional school and graduate school students—not undergrads earning bachelor’s degrees—or those who attend for-profit institutions.
TALKING ABOUT ... STUDENT DEBT

Average Total Student Loan Debt per Bachelor’s Degree

<table>
<thead>
<tr>
<th>Year</th>
<th>Private 4-Year Institutions</th>
<th>Public 4-Year Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006–2007</td>
<td>$19,900</td>
<td>$12,400</td>
</tr>
<tr>
<td>2016–2017</td>
<td>$20,000</td>
<td>$15,500</td>
</tr>
</tbody>
</table>


Distribution of Total Undergraduate Debt (2015–2016)

- **Independent 4-Year Institutions**
  - No Debt: 30%
  - Less than $10,000: 10%
  - $10,000 to $19,999: 18%
  - $20,000–$29,999: 12%
  - $30,000–$39,999: 12%
  - $40,000 or more: 12%

- **Public 4-Year Institutions**
  - No Debt: 37%
  - Less than $10,000: 13%
  - $10,000 to $19,999: 15%
  - $20,000–$29,999: 13%
  - $30,000–$39,999: 14%
  - $40,000 or more: 16%

- **For-Profit 4-Year Institutions**
  - No Debt: 33%
  - Less than $10,000: 9%
  - $10,000 to $19,999: 16%
  - $20,000–$29,999: 13%
  - $30,000–$39,999: 14%
  - $40,000 or more: 16%

The data in this document come from the U.S. Department of Education and other sources, with additional analysis by the Council of Independent Colleges staff. For the most recent data and complete references, visit www.cic.edu/resources-research/charts-data.
I hear that lots of students take five or six years to finish college these days. Who can afford that?

More than half of students at private colleges graduate in four years, versus barely a third of students at public colleges. Completing your degree on time means paying less tuition and earning a full-time paycheck sooner.

- Fifty-four (54) percent of students at private colleges graduate in four years—and it takes a whole extra year for public institutions to match this graduation rate. The combination of an extra year of tuition and a delay in entering the workforce can increase the cost of the college degree by about 25 percent.

- First-generation and low-income students who enroll in a private college are more likely to graduate—and twice as likely to graduate on time.
The data in this document come from the U.S. Department of Education and other sources, with additional analysis by the Council of Independent Colleges staff. For the most recent data and complete references, visit www.cic.edu/resources-research/charts-data.

### Earning a Bachelor’s Degree

#### First-Generation Students’ Graduation Rates (Students Entering College in 2003–2004)

<table>
<thead>
<tr>
<th></th>
<th>4-Year</th>
<th>6-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Nondoc.</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Public Doc.</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>Private Nondoc.</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>Private Doc.</td>
<td>57%</td>
<td>66%</td>
</tr>
</tbody>
</table>

**SOURCE:** NCES Beginning Postsecondary Students Longitudinal Study (BPS: 04/09).

#### Low-Income Students’ Graduation Rates (Students Entering College in 2003–2004)

<table>
<thead>
<tr>
<th></th>
<th>4-Year</th>
<th>6-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Nondoc.</td>
<td>13%</td>
<td>22%</td>
</tr>
<tr>
<td>Public Doc.</td>
<td>36%</td>
<td>48%</td>
</tr>
<tr>
<td>Private Nondoc.</td>
<td>41%</td>
<td>53%</td>
</tr>
<tr>
<td>Private Doc.</td>
<td>53%</td>
<td>53%</td>
</tr>
</tbody>
</table>

**SOURCE:** NCES Beginning Postsecondary Students Longitudinal Study (BPS: 04/09).
If a student graduates from a small liberal arts college, aren’t they likely to have trouble in the job market? It sounds like lots of grads end up as baristas, living in their parents’ basements!

Now that’s a real myth. The data show that graduates of these colleges are typically employed (in meaningful positions) within six months of graduation. The long-term outcomes are very strong, too.

• On average, the starting salaries for graduates of private four-year colleges are $4,400 higher than the starting salaries for public college graduates.

• An analysis of the graduating class of 2017 conducted by the National Association of Colleges and Employers found that 83 percent of all bachelor’s degree recipients had achieved a “positive career outcome”—defined as full-time employment, self-employment, military or other public service, or continuing education—within six months of graduation. Graduates of private colleges did even better: 91 percent had achieved a positive career outcome at the six-month mark (and 57 percent had full-time jobs).

• Getting a bachelor’s degree is one of the best long-term investments you can make. Over a lifetime, bachelor’s degree recipients earn $1 million more than high school graduates. According to researchers at the Federal Reserve Bank of New York, that’s the same as a 14 percent return on investment.¹
• Three decades of research demonstrates that liberal arts graduates “enjoy greater long-term rates of employability, income, and job satisfaction.”

• Eighty-two (82) percent of American adults agree that a bachelor’s degree “prepares someone for a good-paying job in today’s economy.”


Class of 2017 Career Outcomes (Six Months Later)

To me, a small private college sounds very “ivory tower.” I want to make sure my kids learn something practical so they’re prepared for the workplace.

Smaller private colleges provide a wealth of opportunities that prepare students for the workforce, including internships, innovative career preparation activities, and experiential learning opportunities.

Private colleges don’t prepare students for the real world of business and competition.

Business leaders say the liberal arts are the best preparation for today’s rapidly changing workplace.

• Internships are an especially effective way to prepare students for careers. Graduates of private colleges are more likely to participate in internships or field experiences than graduates of public colleges.

• Liberal arts graduates have the workplace skills that hiring managers consider most important, such as effective communication skills and the ability to apply what they learned in college to real-world settings.¹

• Liberal arts graduates now make up a larger percentage of the tech workforce than technical graduates do. LinkedIn estimates that “Between 2010 and 2013, the growth of liberal arts majors entering the technology industry from undergrad outpaced that of computer science and engineering majors by 10 percent.”²

**Talking About... Student Success**

Real-World Skills for the Workplace

**Seniors Who Participated in an Internship or Field Experience (June 2015)**

<table>
<thead>
<tr>
<th>Type of Institution</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Nondoctoral Institutions</td>
<td>58%</td>
</tr>
<tr>
<td>Private Doctoral Institutions</td>
<td>63%</td>
</tr>
<tr>
<td>Public Nondoctoral Institutions</td>
<td>50%</td>
</tr>
<tr>
<td>Public Doctoral Institutions</td>
<td>52%</td>
</tr>
</tbody>
</table>

*Source: National Study for Student Engagement (NSSE), analysis by Gonyea and Kinzie.*

**What are the most valuable skills for recent college grads? Hiring managers say...**

- **Able to effectively communicate orally**: 90%
- **Can apply knowledge/skills to real-world settings**: 87%
- **Able to work effectively in teams**: 87%
- **Ethical judgment and decision making**: 87%
- **Self-motivated**: 85%
- **Able to work independently**: 85%
- **Critical thinking/analytical reasoning**: 84%

*Source: AAC&U/Hart Research Associates (2018).*
My daughter wants to be pre-med. Do they even teach the hard sciences at small liberal arts colleges?

Small private colleges excel at teaching all the STEM fields (science, technology, engineering, and math). Their students are much more likely to engage in hands-on lab research than students at large universities. Women and minority students do especially well in the sciences at these colleges.

- Seventy (70) percent of students who entered a small private college in 2011–2012 with the goal of completing a STEM degree had persisted in the major three years later.¹
- Almost 78 percent of women STEM majors at private nondoctoral colleges and universities graduated within four years, compared to only 23 percent of women STEM majors at public nondoctoral colleges and universities.
- Students who graduate from small private colleges with STEM majors overwhelmingly get jobs in STEM-related fields. (In 2015, about 70 percent of STEM graduates in the workforce who earned degrees from private nondoctoral institutions had jobs in a STEM or STEM-related occupation.)
- Small colleges do a great job of preparing scientists for grad school. (In 2015, 41 percent of STEM majors with a bachelor’s degree from a private nondoctoral college or university also had a graduate degree, as opposed to 33 percent of STEM graduates from comparable public institutions.)

¹ NORC at the University of Chicago for the Council of Independent Colleges, Strengthening the STEM Pipeline Part II: The Contributions of Small and Mid-Sized Independent Colleges in Preparing Underrepresented Students in STEM (2019): www.cic.edu/STEM2report.
Women Completing STEM Bachelor’s Degrees in Four Years or Less (2007–2008)

<table>
<thead>
<tr>
<th>Institution Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Nondoctoral Institutions</td>
<td>78%</td>
</tr>
<tr>
<td>Private Doctoral Institutions</td>
<td>67%</td>
</tr>
<tr>
<td>Public Nondoctoral Institutions</td>
<td>23%</td>
</tr>
<tr>
<td>Public Doctoral Institutions</td>
<td>50%</td>
</tr>
</tbody>
</table>

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SOURCE: NORC at the University of Chicago for the Council of Independent Colleges.
I hear a lot these days about college campuses being too political. Should I be worried about student unrest?

It’s true: College students tend to be idealistic and a bit anxious about politics these days—just like many other Americans. But news reports about student unrest on campus are overblown. The media like to focus on a handful of free speech incidents, instead of the good citizenship practiced on most college and university campuses.

What about “political correctness”? Would a student with conservative views really be comfortable and respected at a “liberal arts” college?

The term “liberal arts” doesn’t mean politically liberal. New college students are pretty evenly split—about 32 percent are liberal, 20 percent are conservative, and the majority of the rest are middle-of-the-road—and so are the graduating seniors. Plus, research shows that college tends to make students more tolerant of political views on both the right and left, regardless of their own views.¹

Today’s college students are politically engaged. Registration and voting rates were up in 2018, while nearly a quarter of young people (18–24) participated in some kind of political activity, such as signing a petition or attending a rally.²

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TALKING ABOUT ... POLITICS ON CAMPUS

• College professors tend to be more politically liberal than average. But the political convictions of professors don’t have much impact on student achievement, according to a recent analysis of more than 7,000 students. Overall, “liberal students report higher college grades and closer relationships with faculty ... [but] conservative students consistently show higher levels of satisfaction with college courses and experiences.” 3

• Most of the best information about politics on campus comes from opinion surveys. For example, a 2018 survey by the Knight Foundation shows that most college students support free speech rights on campus (and elsewhere); however, 46 percent say that sometimes it’s more important to “promote an inclusive and welcoming society” for all. 4 In general, “college students are less likely than the overall population to support restrictions on speech on campus.” 5

• One controversial topic, according to the media, is whether colleges and universities need “safe spaces” to help protect students from challenging ideas. Actual students are split right down the middle: 36 percent say “Yes, they are absolutely necessary for students” and 37 percent say “No, they are completely out of touch from reality.” 6

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