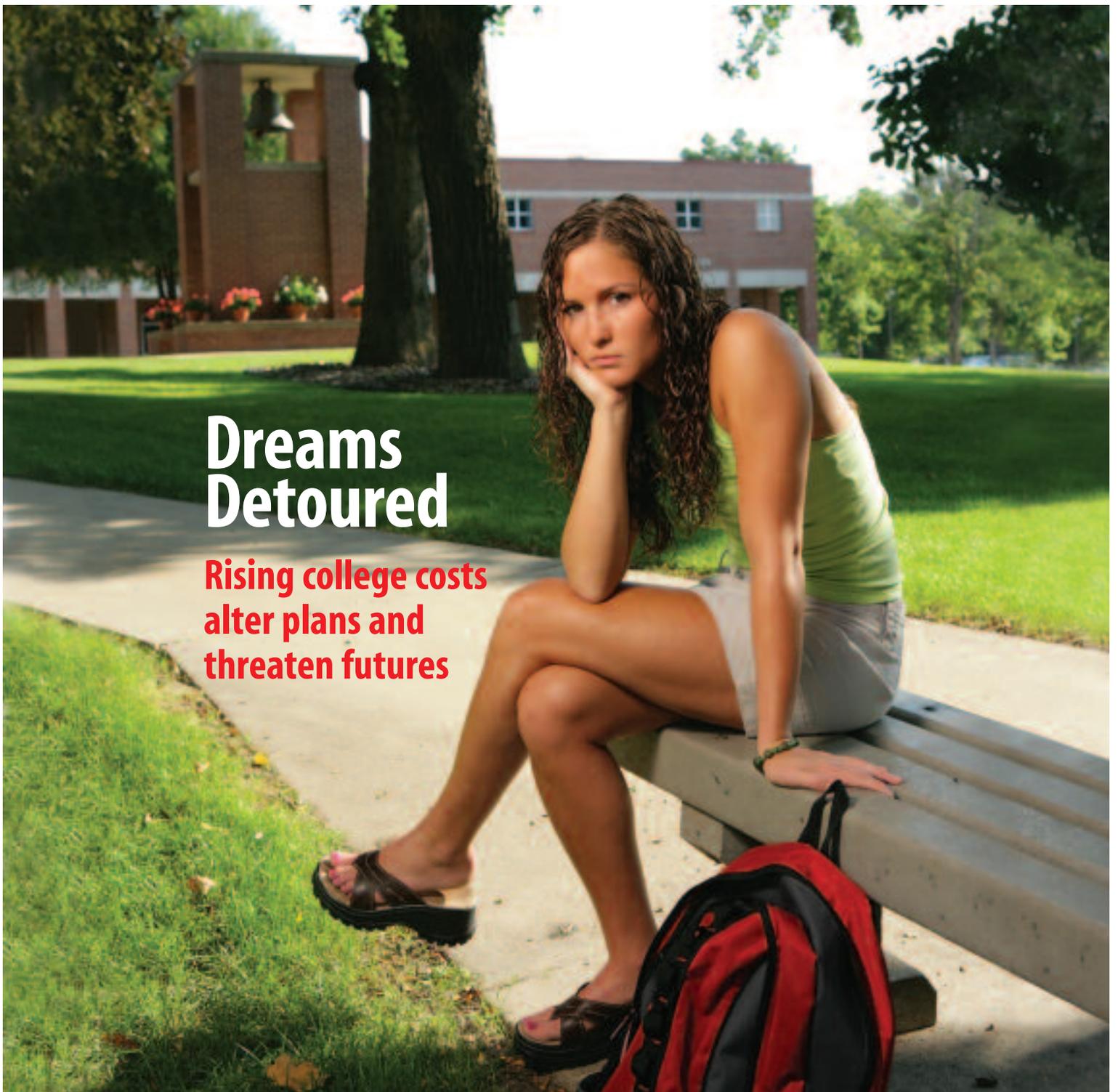


LUMINA FOUNDATION

FOCUS™

Fall 2005



Dreams Detoured

**Rising college costs
alter plans and
threaten futures**



Initiative fosters a cooperative effort to boost college affordability

College Costs: Making Opportunity Affordable is a multi-year initiative launched by Lumina Foundation for Education to spotlight and foster solutions to the alarming rise in the cost of college. It serves as an ongoing forum for higher education experts, policy-makers, business leaders, families and students to work together in addressing the varied and interrelated causes of rising college costs, and to replicate approaches that have proved effective in reducing those costs.

The initiative was sparked by Lumina Foundation's policy brief *Collision Course: Rising College Costs Threaten America's Future and Require Shared Solutions*, published in July 2004. Its key principles are as follows:

- No single party bears responsibility for the solution.
- No simple solution will suffice.
- Solutions based on evidence and experience offer greater promise for success.
- Cost-effective solutions are more likely to secure approval in tight fiscal times.

The College Costs initiative will be inaugurated Nov. 2 with an invitational summit in Washington, D.C. That summit will spotlight a variety of proposed solutions, including those put forth by individuals who responded to the Call for Solutions that the Foundation published in conjunction with the *Collision Course* policy brief.

Following the summit, Lumina Foundation will continue to engage stakeholders in efforts to showcase, evaluate and support solutions that have been proven effective in making college more affordable and accessible.

PRESIDENT'S MESSAGE



This fall, as tens of thousands of new students head for the nation's campuses, they've already learned at least one thing: College is expensive. Indeed, the rising cost of postsecondary education has been a complex and critical problem for several years, not just for students and their families, but also for officials and policy-makers in nearly every state.

This issue of *Lumina Foundation Focus* tackles that problem head on, exploring the interrelated causes and the sometimes heart-wrenching effects of the college-cost spiral.

This issue, written by noted education journalist and Columbia University instructor Steve Giegerich, examines college affordability from several angles:

- Researchers from organizations and higher education associates such as the Institute for Higher Education Policy, the College Board and the Center for Higher Education Policy Analysis cite the many factors that contribute to rising costs.
- Campus leaders talk about innovative ways their institutions are helping students meet the cost challenge.
- Experts from policy-focused organizations share their views on what steps are needed to make college more affordable.
- And finally, promising young students such as Iowans Ashley Stockdale and Laura Meyer and Indianapolis native Harvey Brown explain how high costs have detoured their paths to a college degree. Their compelling, real-life stories help frame and humanize a very complex issue – one that has huge implications for our nation's future.

At Lumina Foundation, we are committed to increasing student access and success in education beyond high school. Clearly, finding ways to reduce the rising cost of college is a vital part of fulfilling that mission.

That's why the Foundation has launched College Costs: Making Opportunity Affordable, a major national effort to find shared solutions to the problem. As part of the College Costs initiative, and in partnership with the James B. Hunt Jr. Institute for Educational Leadership and Policy, we have invited hundreds of stakeholders to attend a national summit in Washington, D.C., in early November.

It is our hope that the summit – and this issue of *Lumina Foundation Focus* – will help stimulate a national dialogue that leads to innovative and lasting solutions to the college cost crisis. Such solutions are crucial if we hope to increase college access and success among the students who embody America's future.

Thank you for joining Lumina Foundation in that important effort. As always, I welcome your feedback on this issue of *Lumina Foundation Focus*, and on all of our work.

Martha D. Lamkin
President and CEO
Lumina Foundation for Education

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Dreams detoured:

When high college costs hit home,
the pain is often palpable

By Steve Giegerich

If the rising cost of college can be compared to war, then at least one battle line runs through the kitchen of a ranch house in central Iowa – and Ashley Stockdale is among the wounded. It was here last winter in Iowa Falls (population 5,200), after three months of anxious conversation around the kitchen table, that Ashley surrendered, deferring her long-held dream of attending the University of Iowa. The reason? One word:



MONEY

Ashley Stockdale and her mother, Crystal, go over the numbers one more time in the kitchen of their home in Iowa Falls. The math hasn't changed since Ashley got her acceptance letter from the University of Iowa last November: **She still can't afford to attend there.**



RISING COST OF COLLEGE

It would be thrilling to report that Ashley's decision to pursue a college education was rooted fully in her desire for a lifetime of learning. In truth, personal and intellectual growth was just a part of it. Ashley is 18 and, like many 18-year-olds, she viewed college as a means of escape, in this instance from Iowa Falls and nearby Alden (population 877), the towns where she has lived since she was a toddler.

After graduating from Iowa Falls-Alden High School last fall, Ashley wanted nothing more than to go to school in a place where everybody *didn't* know her name.

And she knew exactly where she wanted to do it: among the 28,000 students on the UI campus at Iowa City, 135 miles southeast of Iowa Falls.

A field trip during her sophomore year convinced Ashley that her educational future was in Iowa City. The following year she identified the dormitory where she hoped to live, singling out Hillcrest Hall for its fitness center, a reputation for above-average dining hall food and a location an acceptable distance from the main campus. "It's the only school she ever talked about," said Ashley's mother, Crystal.

Last August, shortly before the start of her senior year, Ashley sent her application, along with a \$50 filing fee and a \$75 housing registration fee, to UI. The thick envelope signaling her acceptance arrived in November, along with a financial aid statement.

Tuition, room, board, books and other living expenses – the university informed her – would total approximately \$15,000 per year. The financial aid package would cover tuition and fees, but UI left it up to Ashley to come up with the rest – about \$6,650. The amenity that Ashley had her heart set on – a room in Hillcrest Hall – turned out to be the tipping point. "I didn't take the housing into consideration," she said.

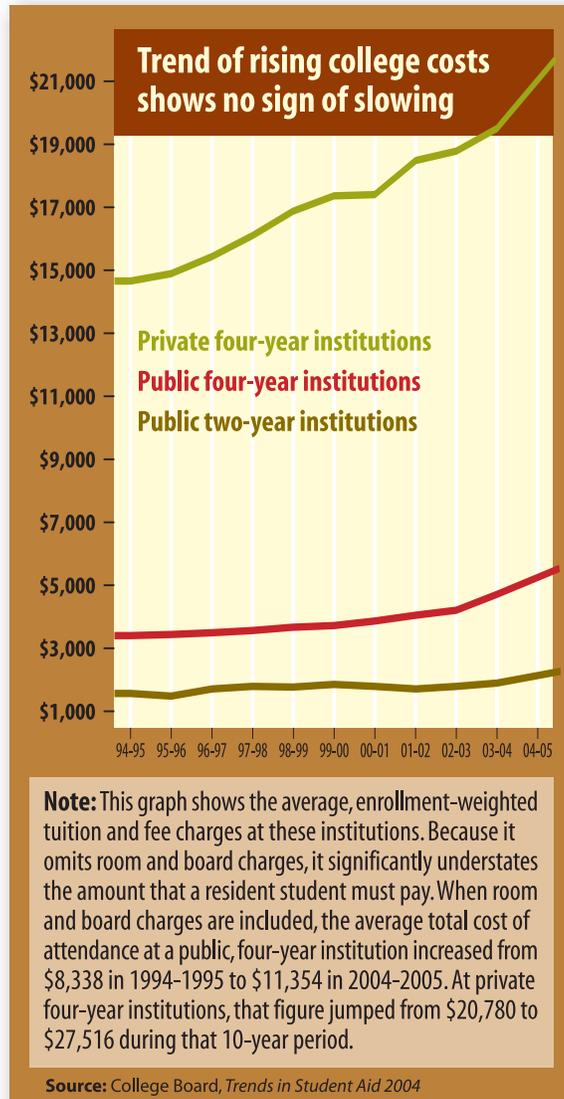
And so the battle began. Concerned that her daughter might incur thousands of dollars in student loan debt, Crystal Stockdale, a single mom, pushed Ashley to stay home and save money by attending nearby Ellsworth Community College. Ashley balked. More bad news came when the federal government denied

Ashley's application for a Pell Grant. The \$7,000 Ashley had earned the previous year as a part-time waitress, combined with Crystal's \$39,000 salary as a nursing home administrator, pushed the family's household income above the U.S. Department of Education's ever-fluctuating eligibility standards. A family income of \$46,000 may not go far in America's population centers, but in central Iowa, it places a family squarely in the middle class.

Ashley capitulated at the end of January. Disappointed and discouraged, she didn't tell her mother – or anyone else – when she submitted an application to Ellsworth. The grants and scholarships awarded by the community college will help cover the bulk of the \$4,400 she'll spend on tuition and fees during the next school year. As Ashley moved through graduation and into the summer, her disappointment peaked.

"All that talk about going to Iowa, and then I wasn't going there anymore," she said. "It really sucked telling people. And now my friends who are going to UI are starting to get ready, they're finding out where they are going to live, who their roommates will be, signing up for classes. That makes it really bad."

While many of her classmates pursue the dream she has deferred, Ashley is pricing used cars for the daily commute to Ellsworth from the apartment she has just leased in Iowa Falls. (Crystal, herself a recent college graduate, is starting a new job and is moving with her younger daughter, Haley, to a new home about an hour away.) Although she'll be responsible for monthly car



payments and rent, Ashley is determined to save enough money to transfer from Ellsworth to UI next year. She began classes as an undeclared major in late August with no illusions about why her higher education began in Iowa Falls instead of Iowa City.

"It's all about cost," she said.

As higher education expert David L. Kirp pointed out, it used to be about something entirely different.

"We have an increasingly stratified education system, one that is less race-stratified and more-economic stratified than it was 20 years ago," said Kirp, a professor at the Goldman School of Public Policy at the University

Community colleges, a vital and affordable option, also feel the pinch

Community colleges, an immensely important though often underappreciated sector of higher education, have always been the most affordable postsecondary pathway. According to the latest College Board report on cost, community college students spent an average of \$2,076 on tuition and fees in 2004-05, compared to averages of \$5,132 for students attending four-year public institutions and \$20,082 for students at four-year private institutions. These days, however, rising costs are having a huge impact on these two-year schools. First of all, community college students paid 8.7 percent more for their education in 2004-05 than in the previous year. What's more, enrollments are rising at community colleges – even though these institutions already serve nearly half of the nation's undergraduates.

Enrollment hikes have been steepest in California and Florida where, in 2003, community colleges were compelled to turn away students because of overcrowding. But the trend is widespread, and it's clearly demonstrated by the average age of students attending community colleges.

At the beginning of the decade, students 25 and older were the norm on community college campuses. With an average age of 29, some were displaced workers obtaining new skills or certification in computer technology and other fields. Just as many were men and women jump-starting educations deferred by raising families and other circumstances. Today, the average age is closer to 27, said George R. Boggs, president and CEO of the American Association of Community Colleges. He and other experts say more and more of these younger students are recent high school graduates who are staving off the rising prices at four-year residential institutions by staying home and attending two-year schools.

From a financial standpoint, persuading students to finish prerequisite courses at community colleges makes good economic sense for four-year colleges and universities, said David A. Longanecker, executive director of the Western Interstate Commission for Higher Education. "Four-year institutions get

higher graduation rates if they take students with two years behind them," he pointed out.

Faced with an enrollment rate that grew by 14 percent in the 1990s, Boggs said, two-year schools have responded by filling vacant full-time faculty positions with adjuncts and by forging more partnerships with community and business interests.

"Community colleges have learned to be efficient because they have to be," said Boggs, pointing out that two-year schools generally lack large endowments and rarely obtain large research grants. Consequently, he added, two-year schools need to strengthen development efforts that tap alumni, corporations and private donors.

If community colleges are a bit behind the curve when it comes to fund-raising, they have been on the cutting edge of integrating technology into the undergraduate education and campus operations. The Internet was just becoming a fixture in American households when Arizona's Rio Salado Community College – a classic correspondence school – looked at online technology and saw the future of learning. It was 1996, and 2,000 students responded to Rio Salado's invitation to participate in college classes via computer. Today, the school has 24,000 students participating in online classes.

"Our infrastructure is technology," said Carol Scarafiotti, the dean emeritus who played an integral role in moving Rio Salado into the online world. That infrastructure is cost-effective for students and the school. Because classes are taught almost entirely by

adjuncts working by computer from their own homes, Rio Salado minimizes its outlay for salary and benefits. Thanks to the college's flexible course structure, new sections of 90 percent of Rio Salado's 350 online classes begin every two weeks. This allows students to learn at their own pace, reducing the amount of time to graduation.

On average, said Scarafiotti, Rio Salado students pay 37 percent less than their counterparts enrolled in the 10 other colleges in the Maricopa County Community College District – the nation's largest. "We are so cost-effective, in fact, that if there was no Rio Salado, there may not be any of the other colleges," said Scarafiotti. "We carry them because we can control our costs."

Aware of the institutional tension between the two-year and four-year sectors, Boggs responds cautiously when asked to cite the lessons in cost-effectiveness that four-year schools can draw from community colleges.

Because they are smaller in size and budget, he answered, two-year institutions typically make maximum use of facilities, offering classes at night and on weekends to accommodate students.

"But I think we have a lot to learn from each other across the educational sectors," Boggs continued. "Too often we have on our blinders from thinking that four-year colleges are better than community colleges, and community colleges are better than high schools. We have to stop that kind of thinking, help each other out and realize that this is an educational pipeline. It's not going to work unless we all work together."



Carol Scarafiotti,
dean emeritus of Rio
Salado Community
College in Arizona.

Student snapshot

Just who is attending community college these days? Probably someone you know. After all, there are more than 1,100 community colleges in the United States, serving some 11.6 million students – nearly half of the nation's undergraduates. This includes 47 percent of African-American, 56 percent of Hispanic, and 57 percent of Native American undergraduate students.

Of the nation's community college students:

- 29 percent have annual incomes of less than \$20,000.
- 41 percent are first-generation students.
- 33 percent are parents.
- 54 percent work full time in addition to taking classes.
- 33 percent are part-time students.

Source: *The American Association of Community Colleges* (www.aacc.nche.edu).

RISING COST OF COLLEGE

of California-Berkeley and the author of *Shakespeare, Einstein and the Bottom Line: The Marketing of Higher Education*. When the various components of that stratification are assembled, a picture emerges that looks very much like Ashley Stockdale:

- She lives in a state where publicly funded universities have responded to state-mandated budget cuts by increasing tuition and fees nearly 60 percent over five years.
- As a federal Reauthorization bill with the potential to give families a clearer idea of the true cost of college drags through Congress, she fell through the financial safety net designed to make college more affordable for low- and middle-income students.
- Finally, neither Ashley nor her family saved enough for her college education.

Ashley – and tens of thousands of academically able students just like her – are at the center of the debate over whether a college education remains within the grasp of all who seek its benefit.

Some say that Ashley is an anomaly – that a postsecondary education at a four-year public institution

students attending public, four-year institutions paid 10.5 percent more in tuition and fees in 2004-05 than they did the previous year. At private institutions, those basic costs rose 6 percent, on average, during the same period. And community colleges, long a bastion of affordable higher education, charged 8.7 percent more in tuition in 2004-05 than they did in 2003-04.

Significantly, these cost increases have come during a time when family incomes have been essentially stagnant. In fact, Census Bureau figures show that, when adjusted for inflation, the mean income for families in the lowest income bracket has actually declined since 2000.

In the discussion about rising costs, College Board economist Sandy Baum has – over the past few years – been the voice of reason and reassurance. As she has pointed out to congressional committees, the media and anyone else who will listen, financial aid has played and continues to play a major role in offsetting college prices. Adjusted for inflation, the total assistance provided to the nation's college students has risen by 122 percent since 1995, according to the College Board. Even so, experts say the overall picture is not healthy. For one thing, the bulk of this financial aid

comes not in the form of grants, but as loans that must be repaid following graduation. Also, for the first time since the National Council of State Legislatures (NCSL) started averaging state expenditures for higher education in the mid-1980s, appropriations for public colleges and universities dropped in 2004 by 2 percent. The NCSL study this year reported higher education budgets rebounded – but only slightly, by 3.5 percent.

The more vivid and lasting impression of public support for postsecondary education, however, is *Measuring Up: The National Report Card on Higher Education*. The study, issued biannually by the National Center for Public Policy and Higher Education rates – or “grades” – states on several quality measures, including cost. Rating affordability in 2004, the center found that no state earned an “A” grade, and only one – California – received a “B.” Two states earned “Cs” and 11 got “Ds.” The remaining 36 states – including Iowa – flunked.

STATE BUDGET PRESSURES PUMP UP THE PRICE

Robert D. Koob divides in half his decade-long tenure as president of his alma mater, the University of Northern Iowa. During the first five years, state appropriations rose faster than tuition. That trend has since reversed. In fact, from 2000 to 2004, the amount of



“For the first time in our history, or certainly since World War II, we are on the cusp of not giving the same opportunity to the next generation.”

—David W. Breneman,
Dean of the Curry School of Education,
University of Virginia

remains attainable even for families of moderate income. The same policy-makers, higher education advocates and college administrators are less optimistic, however, about future participation rates for young people from lower-income families.

“For the first time in our history, or certainly since World War II, we are on the cusp of not giving the same opportunity to the next generation that we have always given to successive generations in the past,” said David W. Breneman, dean of the Curry School of Education at the University of Virginia.

The numbers tell a compelling story. Between 1994-95 and 2004-05, according to the College Board, tuition and fees at public four-year universities have risen by 51 percent. Tuition and fees at private four-year schools grew by 36 percent over the same period. And there is no relief in sight. The College Board's most recent annual study on college costs reported that

state funding delivered to UNI dropped by \$31.7 million. The lost revenue forced UNI to hike tuition by nearly 60 percent over five years.

Julie Bell, education program director for NCSL, blames Northern Iowa's predicament on what she calls the "no-new-tax mentality" sweeping through statehouses across the country. James Lubker, UNI's interim provost, is more blunt:

"For as long as academia has existed, there has been a contract between academia and society," he said. "Academia has provided a quality education and, in return, the state has made sure the students did not pay too much for that education. But, now, the state is not keeping up its end of the contract."

Out of a sense of fairness, Lubker acknowledged that lawmakers in Des Moines are not totally at fault. Like most states, Iowa has been hit hard by increases in Medicaid funding, K-12 appropriations triggered by the No Child Left Behind act and other education reforms, and the rising cost of maintaining state highways and other infrastructure. When those costs were coupled with a mandate to balance the annual budget in a state with a shrinking population (and tax base), legislative support for Iowa's three state universities and 15 community college districts – once a slam dunk – evaporated.

"Colleges are not producing these increases in price," said Michael S. McPherson, president of the Spencer Foundation and former president of Minnesota's Macalester College. "There's a little bit of bait-and-switch here. Legislators on the front end want to take money



William E. Troutt, president of Rhodes College in Memphis, Tenn., has long been considered a national expert on the issue of college affordability.

away from subsidizing higher education, and then they say the colleges have to get their costs under control."

William E. Troutt, president of Rhodes College in Memphis, Tenn., served as chairman of the National Commission on the Cost of Higher Education that issued a report in 1998 calling on colleges to get costs under control. Then, as now, Troutt said, the economics of higher education follow a unique but simple formula: "Price equals Cost minus Subsidy." Private schools draw their subsidies from endowments and ambitious capital fund-raising campaigns. At public institutions, subsidies also come in the form of state appropriations.

Troutt's formula, applied to Northern Iowa, yields this quotient: During the first five years of the 21st century, the students' share – their portion of the total price for a UNI education – has jumped from 26 percent to 42 percent. To prevent that percentage from increasing further, "leaner and meaner" has become an administrative mantra at UNI – one that has led to 8 percent reductions in both enrollment and full-time faculty.

In the eye of that budgetary storm – the office of the president, 20 Seerley Hall – a single candle burns constantly whenever Koob is present. It symbolizes the sense of calm that he has tried to project while guiding UNI's 12,800 students, 784 faculty and other administrative and support personnel through the crisis. Koob's motivation to protect and preserve this tree-lined, 900-acre campus supersedes his role as president: He's also a UNI graduate.



University of Northern Iowa President Robert D. Koob (center), an alumnus of the Cedar Falls school, talks with UNI students Tarek Fahmy and Laura Meyer.

Rhodes College aid program goes beyond work-study

You've chaired an influential national commission on college affordability and become the news media's go-to guy for your views on the subject.

Now what?

Well, if you're Rhodes College President William E. Troutt, you put some of your ideas into practice and then watch as actions speak louder than words.

The students and staff who benefit from Rhodes' Student Associate Program may not know it, but the idea for this unique student employment program can be traced to the first recommendation that Troutt and his colleagues on the National Commission on the Cost of Higher Education made to Congress in 1998:

"The Commission recommends that academic institutions intensify their efforts to control costs and increase institutional productivity."



Rhodes College senior Anna Ivey says the experience she's gained in the program has proven to her that she can "handle the real world."

When Troutt assumed the presidency of Rhodes in 2000, he considered the best ways that that particular "policy goal" – and the commission's report as a whole – could be applied at his campus, a small liberal arts college nestled into a comfortable Memphis neighborhood. Despite Rhodes' reputation as a "labor intensive" school with students who actively pursued internships and volunteer work, Troutt soon recognized that the school wasn't fully using its students' talent, skills, enthusiasm and energy.

So, along with Robert L. Johnson Jr., dean of information services at Rhodes, Troutt hatched a plan that encompasses the three major components of the commission's recommendations: controlling costs, increasing productivity and making college more affordable for many of the school's 1,600 students.

The resulting initiative, called the Student Associate Program (SAP), is more than mere work-study. Rather, it places students in professional-level on-campus jobs that mesh with their fields of study and their career goals.

"What we're doing," Troutt explained, "is providing a first-class internship with a co-curricular transcript that demonstrates what (the student) is capable of doing."

Students in the program – which began last year with 21 participants and will expand significantly over the next two years – work more hours (between 10 and 15) and receive higher wages (\$10-\$12 per hour) than other student employees.

Traditional work-study – data entry and mass mailings – marked Anna Ivey's initial exposure to on-campus employment. "I stuffed a lot of envelopes," recalled Anna, now a Rhodes senior. Among the first wave of students hired under the SAP initiative, Anna spent last year in the admissions office, where she immersed herself in a program that recruits Rhodes alumni to pitch the school at college fairs and other functions. It's a job that is interactive, intellectually stimulating and labor intensive.

"I can see the evidence of what I'm doing. Before, it seemed all I ever saw was someone's name in a database," said Anna, praising SAP's practical benefits. "If this is a real-world situation, then I think I can handle it. If I can handle a Rhodes education with a part-time job like this, then I can handle the real world."

The academic and administrative departments that employ SAP students seem equally pleased. When the communications department needed a part-time employee with an English background and strong writing



Rhodes College student Sara Rutherford, who works for the college's media relations department as part of the college's innovative Student Associate Program, interviews university staff member Justin Entzminger

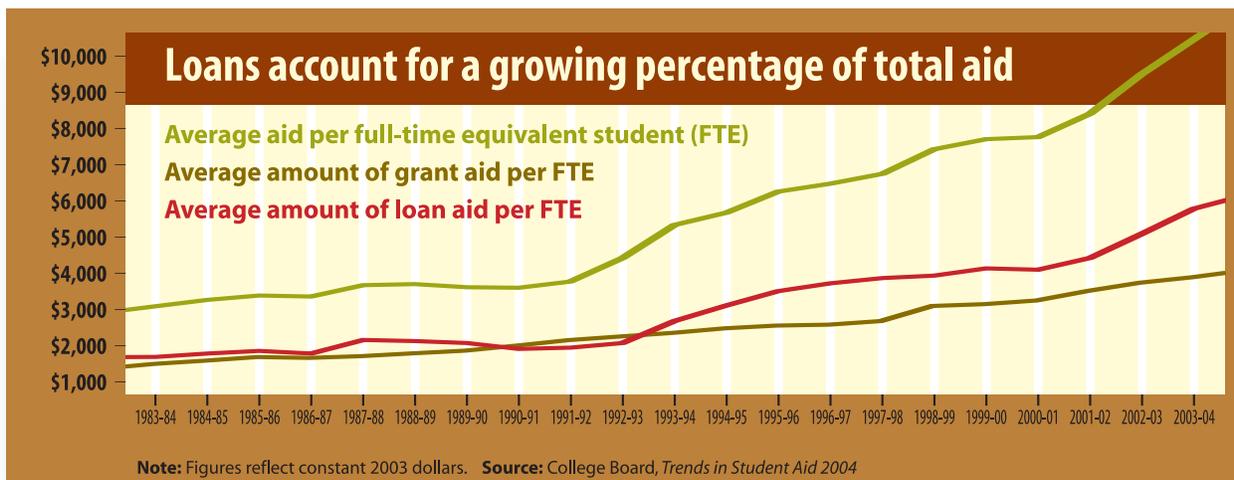
abilities to research and write personal profiles of faculty, staff and students, Media Relations Manager Dionne Chalmers brought in student Sara Rutherford for a professional-level interview. Under SAP guidelines, Rutherford outlined how the position would enhance her education and career objectives, and then explained how her efforts would benefit the department and the college.

She got the job. And Chalmers got a trusted aide that she could turn to, without hesitation, to crank out press releases and handle other writing assignments over the past year.

"If it's something I don't have time to do, now I can give the assignment to a student who can use it to build her resume," said Chalmers. "The students get to see the evidence of their work, and we get to talk to the students about career goals and what they want to do with their lives."

Jo Bennett, the financial aid administrator overseeing the program, said Rhodes paid \$60,000 in wages to SAP students last year. The benefits to the school – in terms of productivity and student learning – are still being measured, but Bennett said early results are very encouraging. In fact, SAP has been so successful on the Rhodes campus that Troutt envisions expanding the program into partnering arrangements with businesses in the surrounding community.

In a way, however, SAP has already moved off-campus. As word of the program spreads through higher education, other schools have taken notice of the Rhodes College model. In fact, Southwestern University in Georgetown, Texas, will soon become the nation's second school to implement a Student Associate Program. "They're adopting it lock, stock and barrel," Johnson reported proudly.



Like many mid-size state institutions, the University of Northern Iowa grew from its beginnings as a teachers' college to accommodate the baby-boomers and then their "echo boom" children. Thousands of these graduates have turned a quality, affordable college education into a comfortable way of life.

With evident pride, Koob stresses that Northern Iowa has managed to downsize without sacrificing its core mission. Five years of budgetary purgatory haven't altered UNI's 16.4-1 student-teacher ratio, its average class size of 28, or its average enrollment-to-graduation rate of 4.5 years – well below the national average of six years.

UNI has taken several steps to maintain quality while cutting costs, including:

- Centralizing the budget process.
- Partnering with the City of Cedar Falls in cost-cutting measures that include shared recreational facilities and programs.
- Embarking on an ambitious program to generate more revenue from non-university conferences and other events held on campus.
- Pushing up the timetable for the implementation of online technology for student services.
- Consolidating responsibilities in career services and other departments.
- Eliminating competitive men's tennis and swimming teams.

Most important, by hiring adjuncts to replace retiring or departing full-time faculty, UNI took a crucial step toward reducing the line item that eclipses all other segments of higher education budgets: personnel salaries and health benefits. When all was said and done, according to Thomas Schellhardt, UNI's vice president for

business and finance, the school was forced to lay off only 10 employees, all of them members of the clerical or maintenance staffs.

"You have to look for ways to work on it at the cost side *and* the subsidy side," said Rhodes College President William Trout. "And the schools that are vibrant and successful will be very attentive to managing costs and very attentive to getting the resources they need for their students."

As pleased as he is with what UNI has accomplished during a difficult time, Koob is deeply disappointed when he considers the many young men and women – most from low- to moderate-income families – unable to attend Northern Iowa.

"The reason we achieved our quality goal is that we reduced access. It's that simple," he said.

Among the students who are on campus, there isn't much discussion about those victimized by that 8 percent enrollment cut – the ones prevented from ever taking a class in Cedar Falls. If there has been a backlash over high tuition and fees, senior Tarek Fahmy, vice president of the Northern Iowa Student Government, hasn't noticed it. To be sure, the campus newspaper, the *Northern Iowan*, has dutifully reported the consequences of budget-cutting – students' complaints about reduced summer hours at campus computer labs, fewer sections of mandatory courses, and the wintertime shutdown of the campus shuttle bus service. But when it comes to the price of their education, Fahmy and other student leaders say UNI students have complained little.

"The only time the students care about how much it costs to go here is when they have to pull the money out of their pocket to pay tuition," said Fahmy.

Perhaps. But with 70 percent of UNI students receiving financial aid – mostly in the form of loans – the



UNI music major Brenda Liddle, here practicing her euphonium in the university's Performing Arts Center, admits she's "scared" by the nearly \$50,000 in loan debt she'll face next year when she graduates.

RISING COST OF COLLEGE



Jeffrey Copeland, head of the English department at UNI, says all of his colleagues have felt the impact of budget cutbacks.

amount of money going directly from wallet to bursar is relatively small. Even regional, mid-size and relatively affordable state schools such as Northern Iowa are no longer “pay as you go,” said Jane Oates, senior education adviser to Sen. Edward M. Kennedy on the Health, Education, Labor and Pensions Committee for Higher Education and Workforce Issues.

As UNI student Brenda Liddle can attest, when housing, books and other expenses are added to \$5,300 in undergraduate tuition and fees, the only recourse is to secure loans and hope part-time employment covers the rest. A senior music education major, Liddle spends up to 30 hours a week working part-time jobs. Her earnings have offset her educational expenses somewhat, but hardly enough. She estimates that, at graduation, her loan debt will total nearly \$50,000. “I’m scared,” Liddle admitted. “But I can’t do anything about it.”

While Koob faults himself for not doing enough to ease the “psychological barrier” associated with UNI’s rising costs, students and staff give him high marks for honesty. Unfortunately, in almost every corner of the campus, forthrightness has done little to ease the sting of fiscal reality.

Jeffrey Copeland has been with UNI’s Department of

English Language and Literature for 15 years, the last 10 as chairman. He paraphrases Dickens to sum up his tenure: “I’ve seen the best of days, I’ve seen the leanest of days, I’ve seen it all.”

In the best of days, seven years ago, “the coffers were full. We didn’t waste much, but we didn’t want for much either.” On the more recent bad days, Copeland and his faculty colleagues must contend with students understandably peeved over being wait-listed for a mandatory writing class (some opt to take the course at nearby Hawkeye Community College). His worst experiences came when expected budget appropriations twice failed to materialize, forcing him to rescind full-time job offers to successful candidates.

“You can imagine what that does to the reputation of the college,” Copeland said.

The leaner and meaner Northern Iowa means Copeland’s department now fills 25 percent of its classrooms with part-time, adjunct instructors. Meanwhile, full-time faculty members have added more service and scholarship activities to their workload – curriculum development, academic committees and research.

Copeland’s department is spread thinner in the classroom as well. Faculty members are teaching classes they have never taught before. An instructor with expertise in the literature of the American Revolution, for instance, could well wind up also teaching a course in early 20th century American literature. Sometimes, said Copeland, the faculty member has only a few months – as opposed to years of concentrated study – to prepare for the class.

“Everybody is now a ‘Renaissance individual’ in our department. Everybody teaches everything. Is that good?” he asked rhetorically. “No.” The former co-owner of a minor league baseball franchise, Copeland likens the situation to putting an infielder in to pitch. Taking the analogy one step further, though, he praised his faculty colleagues for “stepping up to the plate.” In a moment of reflection, Copeland admitted the changes have in many ways made his department and the university stronger. He uses personnel more effectively. Furthermore, budgetary pressures forced the elimination of several elective courses that, Copeland acknowledged, bordered on superfluous.

This process of cutting electives follows at least one expert’s prescription that colleges and universities adopt a “coherent curriculum” to rein in costs. “They need to fine-tune the balance between a wide diversity of offerings and high-quality courses,” said Paul E. Lingenfelter, executive director of the State Higher Education Executive Officers (SHEEO).

On the personnel side of the ledger, Copeland now shades toward making “smart hires,” generalists capable of teaching a wider range of subjects. Applicants with impressive but narrow areas of expertise are still welcome, but Copeland now also requires each job seeker to outline the broader contribution he or she can make to the university. Those who fail to provide a suitable response are not offered a position.



Kristin Valentine isn't just a 4.0 graduate of Arsenal Technical High School in Indianapolis; she also aced the class she calls "Scholarship 101." Here, she and her mother, Tamara, display evidence of the more than \$14,000 in scholarship funds she'll have available to help pay for her freshman year at Spelman College in Atlanta.

All of the fiscal moves at UNI – from Copeland's efforts to hire new faculty to student services' decision to upgrade the school's online capabilities – eventually wind up in Tom Schellhardt's office. It is his job to ensure that – whether state appropriations are high or low – Northern Iowa's capital expenses don't outstrip its revenues.

Like Copeland, Schellhardt sees a silver lining in the cloud that has hovered over Cedar Falls the past five

years. "Whenever you lose resources and talent, you're not a better school," he acknowledged. "But from an efficiency and effectiveness standpoint, we're better. We had to become more engaged in areas that maybe before we'd taken for granted."

For nearly a half-century, most Americans have taken something else for granted: They've shared the premise that anyone motivated to enroll in college should have the opportunity to do so. Yet very few Americans are

able to shell out money upfront to pay for it. According to policy-makers and college administrators, today's typical family is more likely to have an SUV in the driveway or a plasma television in the living room than a single cent socked away in a college savings plan for their children.

At \$150 a credit hour, Indiana University-Purdue University at Indianapolis (IUPUI) – is considered a bargain for urban students seeking a quality, affordable education. Even so, a daily stream of students passes through the office of Barbara Browning, IUPUI's director of student services, searching for the grant, the low-interest loan or any other means to help them stay in school. Browning has occupied that office for 11 years. Not once during that span can she recall meeting a student who had put away money for tuition and fees. "They haven't even saved their book money," she said.

Officials at Northern Iowa encounter the same phenomenon. "It's almost to the point where families look at financial aid as an entitlement," said Dennis Hendrickson, associate director of admissions at UNI. "The average family doesn't save enough, and a lot of families don't save anything at all. They look to the states and the federal government to bail them out."

STUDENTS AND FAMILIES ARE EXPLORING EVERY AVENUE

When governments and institutions don't follow through as expected, students and their families are forced to scramble to finance a college education. As the following stories from students Kristin Valentine, Harvey Brown and Laura Meyer demonstrate, there is no longer a clear formula for financing a college education. Rather, it's whatever works.

Both of **Kristin Valentine's** parents have college degrees, as do various aunts and cousins. Her brother, Todd Anthony, is enrolled at Indiana State University (an education temporarily suspended by U.S. Army Reserve duty in Texas). From the time she was old enough to remember, Kristin knew that her education would not end with a high school diploma. "I didn't know you *couldn't* go to college," said Kristin, who graduated from Indianapolis' Arsenal Technical High School in June with a 4.0 grade point average.

Like Ashley Stockdale in Iowa Falls, Iowa, Kristin selected a school during her sophomore year in high school. Kristin's choice was Atlanta's Spelman College. Small (2,100 students) and one of the nation's more than 100 Historically Black Colleges and Universities, Spelman met all of Kristin's criteria.

With a selection of a college easily settled, one major obstacle remained for Kristin: how she would pay for it. One thing was certain: The \$24,000 for tuition, room, board and fees – in addition to an estimated \$4,000 for books, transportation and other living expenses – would not be coming from her parents. Robert Valentine often works up to three jobs to support his family; and as her daughter's senior year began,

For low-income students, barriers are even higher

Martin University's Steve Glenn got right to the point. "Who can tell me why people go to college?" he asked a group of Indianapolis middle school students midway through lunch.

A young man near the vending machines in the student lounge at Martin University put down his pizza. "Get a degree, I guess," he ventured.

"And what will a degree get you?" countered Glenn, director of a Martin outreach program for low- to moderate-income students.

"A high-paying job," a girl in the back answered.

"Right. And I'm guessing that everyone in this room wants a nice car, right?" said Glenn, prompting a predictable chorus of enthusiastic assent.

"Well," he continued, "to get a nice car you need a good job. And to get a good job you need a college degree."

Most middle- to upper-class kids would no doubt view Glenn's pitch – one he makes to hundreds of inner-city students each year – as superfluous. But in low-income neighborhoods, the concept of going to college isn't a foregone conclusion; in fact, it typically seems exotic, if not impossible. "For underprivileged kids, college is amorphous," said William G. Tierney, director of the Center for Higher Education Policy Analysis (CHEPA) at the University of Southern California. "They can't understand why they'd want to go to a four-year institution." Glenn, a high-energy former college basketball player, is working to change that.

It's his mission to instill a sense of educational entitlement in students who may never have given a moment's thought to continuing their studies beyond high school.

Glenn makes his presentations on behalf of Martin – a 1,300-student, private, liberal arts institution in Indianapolis – in particular and the entire higher education community in general. Ultimately, he doesn't care where the students he addresses go to school. His only concern is that they will one day enroll in a college or university.

As enthusiastically as he embraces selling urban students on the long-term benefits of higher education, Glenn knows he is occupying a role that should be filled by parents and guidance counselors. He says many of the stu-



Steve Glenn, director of a student outreach program at Martin University, talks with students at the private, liberal arts institution in downtown Indianapolis.

dents he addresses tell him: "Nobody is talking about this at home."

Nor does there seem to be much discussion about college and affordability in the guidance offices of urban secondary schools — at least not in the Los Angeles-area high schools that were the subject of a 2005 study by Tierney and other CHEPA researchers. The reason for that dearth of conversation is simple: In some of the schools studied, the average counselor-student ratio was an astounding 5,000 to 1. The counselors who are available, the report added, spend most of their time on discipline and scheduling — not on showing students how to get into or pay for college. As a result, said the study — *Show Us the Money: Low-Income Students, Families and Financial Aid* — urban students tend to overestimate the cost of college and underestimate the amount of financial aid available to them.

It's not that the guidance offices aren't filled with material explaining the various scholarships, grants and student loan programs. The information is there, said Tierney. But other priorities prevent counselors from getting the information into students' hands.

Also, lower-income students are less likely to use the Internet as a resource for college applications and financial aid, Tierney added. "And whether they're rich or poor, the reality is that it's much cooler to look at Coldplay's Web site than the College Board Web site," he pointed out. "Virtual tours of college campuses might be fun, or sometimes checking out actual college classes can be fun. But it's really not fun to fill out financial aid forms."

Bobby Fong, president of Butler University in Indianapolis, said it is incumbent on colleges as well as counselors to better communicate the real cost of college to families and potential students.

"Most of us know that you don't have to pay sticker price for a car," said Fong. "Unfortunately, it seems we still have to explain that you don't have to pay sticker price for an education."

Upper-income families certainly understand that the published cost is very rarely the actual price that a student pays to attend Butler, a private, somewhat selective (4,400 students) and expensive (\$34,690 per year, including room and board) liberal arts institution. To attract talented students, Butler and most other private institutions — and a growing number of public ones as well — provide institutional grants, effectively offering a "discount" on their published tuition rates. Some of these sticker-price reductions are based on financial need, but increasing proportions are based on merit — a student's achievements in academic or other pursuits. This trend toward tuition discounting, say many in higher education, has fueled competition among institutions and has contributed to what Fong characterizes as harmful "gamesmanship." The families most eager to play the game, said Fong, generally have household incomes well into the six-figure range. "It's almost a prestige factor that your kid got a merit scholarship to a liberal arts university," Fong said. "The people who are well able to pay full (tuition) have discovered they can negotiate

among schools." Even if lower-income students understand that they and their families will not be responsible for paying for the bulk of college costs, a new set of circumstances often kicks in. "My second-hardest job, after convincing them to go to college, is getting them to fill out the FAFSA (Free Application for Federal Student Aid) on time," said Glenn, referring to the form that the government and all institutions use to guide their financial aid decisions. The trepidation over filling out forms is often compounded if a low-income family finds it necessary to supplement grants with loans. "The parents are particularly troubled about taking out loans," said Tierney. "Some of them may never have had any interaction with a bank. Ever."

His suggestion for shoring up the pipeline between urban schools and higher education is for more colleges to emulate Martin University. Tierney would like every college and university in the country to forge a cooperative relationship with high schools in five to 10 financially strapped school districts. Under his plan, each institution would dispatch graduate students and on-campus counselors to the high schools to offer students college counseling.

"People have been talking for a long time about a need for greater integration between schools and colleges," said Tierney. "If we can provide information in a way that kids like, they'll (listen to it). Most kids are well meaning and want to succeed. But they're kids. They need support, and they need to understand how to make it happen."

RISING COST OF COLLEGE

Tamara Valentine faced the possibility of losing her job as a personnel administrator (she was laid off in March). "Let's just say we've been through a bad financial time," Mrs. Valentine said.

Kristin, a bright, articulate and motivated math and computer science major who seeks a career in actuarial science, knows what she wants and knows how to get it. In the Darwinian world of financing an education, that means working harder than the thousands of other kids looking for a way to pay for college. Kristin became, in the words of her high school guidance counselor, a "scholarship hustler." By day she sifted through the various scholarship brochures and applications in the school's guidance office; at night she

Pell's power eroding

Despite recent increases in funding for the federal Pell grant program, these grants aren't going nearly as far as they used to in helping low-income students pay for college. Even though the average grant increased by 17 percent between 1999 and 2004, it covered only 23 percent of the total charges at the average four-year public institution during the 2003-'04 academic year. In 1980-'81, the average Pell grant covered 35 percent of those costs.

Source: College Board, "Trends in Student Aid 2004"

combed the Internet.

"It was like a school assignment, Scholarship 101," she said. Her intensity grew right along with the stakes. Some weeks she'd download or fill out five applications or more. Each was meticulously reviewed before submission. For those requiring an essay, Kristin would write a rough draft at night, have her mother or a friend edit it the following day and then rewrite the piece that night. Each had a common theme: "You have to say things from the heart, and you have to articulate very effectively," she said.

Her mission tapped into what is arguably the most overlooked and underused sector of college financing: private scholarships. Jamie P. Merisotis, president of the Institute for Higher Education, grew up poor. "I shook the trees to find money" for college, he recalled. Today, he can't understand why more students aren't doing the same thing Kristin has done.

The source of Merisotis' concern is evident in a 2005 Institute report that found only 7 percent of undergraduates received private scholarship aid in 2003-04. The *Private Scholarships Count* study said between \$3.1 and \$3.3 billion in private grants was distributed in 2003-04, with the typical undergraduate receiving \$1,982. The study estimated that as much as \$100 million in scholarship money was left on the table, unclaimed by undergrads, graduate students and students at proprietary schools.

Merisotis said private scholarships are often a student's third – and thus easily ignored – option after

institution-generated financial aid and student loans. Moreover, there is a tendency to market private aid toward middle- and upper-middle-class students rather than the students most in need.

"The reality is that the majority of money is not targeted for students at the bottom end, which is another thing that distinguishes it from the government," said Merisotis. "We make the point that, while a lot of the time scholarship programs are marketed as access programs, they are, in fact, often choice programs. They are not the difference between whether a student goes or doesn't go to college – although there are some dramatic instances where that is true. More often it's the difference between whether they'll be going to a four-year or community college."

In March, Kristin got her first passing grade in "Scholarship 101" – a \$250 check from a scholarship established by the Harvard Black Law Students. Although not a significant sum, it was still enough to cover all but \$50 of the Spelman housing deposit.

That first check kicked open an imaginary door. As her high school commencement approached, more and more money flowed through, \$14,000 in scholarships and another \$2,800 in Pell grants. The totals ranged from \$250 from the local chapter of a national sorority to the \$2,500 per year promised Kristin by a scholarship fund set up by National Basketball Association star Dale Davis.

Unfortunately, the numbers didn't add up. About \$10,000 short of what she'll need for books, transportation to and from Indianapolis and other expenses, she had no choice but to fill the gap with the "dreaded four-letter word." To get through her first year at Spelman – and probably the three years that follow – Kristin Valentine will secure a loan.

Harvey Brown attended the same Indianapolis high school as Kristin Valentine – Arsenal Technical, or "Tech," as the locals call it. He was advised by the same guidance counselor and harbored the same ambitions as his classmate. With a goal of becoming a doctor, Harvey set his sights on the college that sends more African-Americans to medical school than any other – Xavier University of Louisiana. By his own admission, Harvey's early years in high school were less than stellar academically. In his junior year, he buckled down. His eventual grade point average, 3.2, was good enough to gain acceptance to Xavier, but the financial aid package he was offered came nowhere near what he needed to attend school on the New Orleans campus.

Nearly \$10,000 short of what was required to cover the cost of attending Xavier – approximately \$20,000 a year, excluding transportation and other costs – Harvey began applying for scholarships. He received one from his church – a \$5,000 grant spread over four years. The Dale Davis Foundation promised him another \$1,125 per semester. After that, the well ran dry.

"Scholarships go to the smart kids," he concluded, "and there's not a lot of money left for us mediocre kids."

A young man with short dark hair, wearing a light blue t-shirt, is leaning on a wooden chair. He is looking towards the camera with a serious expression. The room has a window with sheer curtains on the left, and a wooden table in the foreground with several papers on it. One of the papers is a document from Xavier University of Louisiana. The lighting is warm and somewhat dim, creating a somber atmosphere.

Harvey Brown of Indianapolis was accepted at his school of choice (Xavier University in New Orleans), but the high cost of attendance will keep him closer to home. He has enrolled this fall at Indiana University-Purdue University, Indianapolis.

“Scholarships go to the smart kids, and there’s not a lot of money left for us mediocre kids.”

RISING COST OF COLLEGE

At the end of May, as graduation approached, Harvey gave up on Xavier and submitted a late application to IUPUI, 10 minutes from his home. Slumped in a living room chair, the 6-foot, 4-inch college freshman said it all with his body language: IUPUI is not where he wanted to be this fall.

The scholarship money, coupled with a grant from the Twenty-first Century Scholars Program (which benefits low-income Indiana students who remain in-state for their education), will pay all of IUPUI's \$7,000 annual tuition and fees not covered by the Pell Grant he hopes to receive. With an eye on medical school – and the expense he knows it will entail, Harvey is reluctant to secure loans for the first four years of college.

Two states west of where Kristin Valentine and Harvey Brown are taking divergent financial paths to college, **Laura Meyer** is attempting to get through school the old-fashioned way: by paying for it herself. Her penalty for making that attempt has been an undergraduate career far longer than she ever imagined when she got her high school diploma eight years ago.

By this time, Laura expected to be in the workforce or, at the very least, finishing up graduate school. Instead, she has two years remaining at the University of Northern Iowa. Her ultimate objective, to become a clinical psychologist, is constantly overshadowed by immediate financial considerations.

Laura's postsecondary odyssey began in 1997, at the University of Dubuque, a private institution in her hometown. Determined to get through college without assistance, Laura requested that she be declared financially independent of her parents. The request was denied, forcing Laura to drop out of Dubuque at the end of her freshman year. "I liked the school. I liked everything about it. But I felt let down by the system," she said.

Over the next five years, Laura traveled and worked at various jobs. When she had saved enough for tuition, she enrolled in the occasional community college class. In 2004, she landed at Northern Iowa determined to finish what she'd started seven years earlier. Her motivation was simple: "If you're 24 without a college education, it's hard to stay ahead of the game."

Free and, at last, legally independent of her parents, Laura has financed her education with a Pell Grant, state tuition grants, loans that already have exceeded \$15,000 and what amounts to a full-time job as a waitress and restaurant manager.

"If I didn't have to worry about money, if I'd been lucky enough to have parents fund my education, I'd be done with school already," she said. "My life would be different right now." As it stands, money – or, more precisely, the lack of it – dominates every aspect of her college experience. Two years from graduation, Laura is already wondering how she'll finance her postgraduate education. "I guess I should probably think about it more," she said. "But right now I need to think about how I'm going to fix my car. It's those little things that hit you when you're 25 and not making your career money yet."

POLICY CHANGE IS A VITAL PIECE OF THE AFFORDABILITY PUZZLE

Laura and most other students are focused on their own day-to-day financial realities. So it is left to higher education advocates, policy analysts, administrators and legislators to do the long-term thinking about the costs of higher education. In general, they are as uncertain about what lies ahead as Laura is about where she'll come up with the money for car repairs. Postsecondary education is susceptible to the same cycles that drive every other segment of the economy, and no one can accurately predict where the cycle is headed next. One thing is likely, however, at least for the immediate future: The trend of reduced state appropriations seems destined to continue.

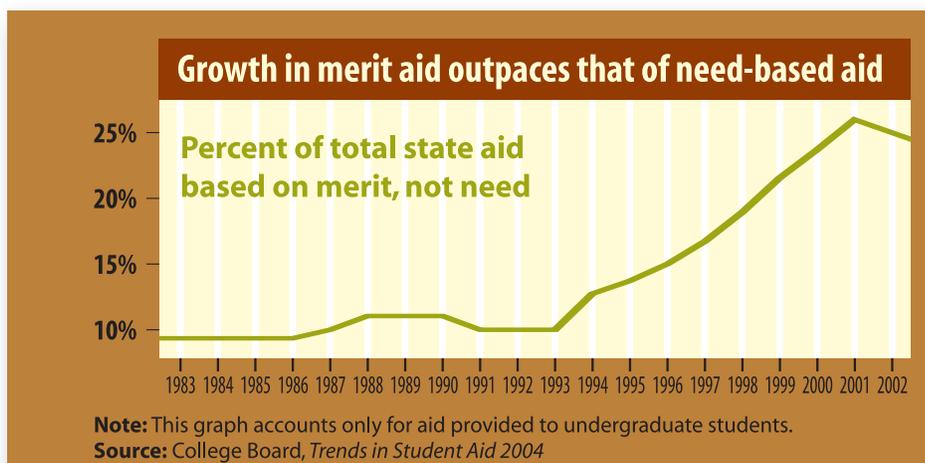
"For state policy in general, it isn't easy today to make long-term decisions on anything," said NCSL's Julie Bell. "The demands of politics, the pressures, the compromises, the bargains, the constant changes in (legislative) membership with new folks always coming in – all of this has created the fractured, short-term decision-making process that you see everywhere."

Still, SHEEO's Lingenfelter isn't prepared to sound the death knell for state support of public colleges and universities. "It's an exaggeration and a

dangerously self-fulfilling prophecy to say that states are walking away from higher education," he said.

George R. Boggs, president and CEO of the American Association of Community Colleges, is one of many voices that maintain higher education needs to strengthen the case for itself in Washington and in state capitals.

"We need to make a better case with state and





Laura Meyer started her studies at the University of Dubuque, a private school in her Iowa hometown. From the outset, she was determined to pay her own way through college. She's still trying. At age 25, eight years after her high school graduation, she still has two years remaining at the University of Northern Iowa.

federal policy-makers – primarily with state lawmakers because that's where most of the funding comes from – that education is a societal benefit," said Boggs. "If any one of us gets more education, then we all benefit from that, and we can see that as an investment."

In looking for solutions, analysts warn institutions – and, especially, students – not to count on Washington to champion the cause of higher education anytime soon. The optimists say the Higher Education Reauthorization Act, mired in congressional committees for more than two years, will pass this year, in one form or another. Outside Congress, suffice it to say, there aren't many optimists. Even if it passes, however, the bill is not expected to significantly change the

federal government's role in or its contributions to higher education. "I don't have any hope that Reauthorization will do anything but stir up dust," said the University of Virginia's David Breneman.

Analysts expect the biggest dust storm to erupt from the \$7 billion in mandatory cuts that Congress must make from the Reauthorization bill. The money, they say, will almost surely be taken from the Stafford and Perkins student loan programs. The good news, said Kennedy staffer Jane Oates, is that the bill probably won't reduce – and may even slightly increase – the caps on undergraduate loans, which now stand at \$2,625 for the first year, \$3,500 the second year and \$5,500 for each of last two years of college.

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Pay-as-you-go student finds a way – and a place – to succeed

Never mind that his statistics and methods class had ended more than an hour earlier. Mark Mosley had some questions about the day's assignment, and he wasn't leaving until he understood the formulas he'd been taught. The picture of concentration, Mosley absorbed his instructor's every word, interrupting only to make the inquiries that stretched the private tutorial to more than an hour.



The Rev. Boniface Hardin, founder and president of Martin University.

"When you're paying a thousand dollars for a class, you don't have time to waste," Mosley said when the brainstorming session finally ended. "And I don't want a 'B,' I want an 'A.'"

Mark Mosley knows a thing or two about hanging around long enough to get what he wants. Technically, Mosley is a senior at Martin University in Indianapolis. But that class designation comes with an asterisk: 2005 marks Mosley's 25th year as a college student.

Mosley has spent 20 of those years at Martin, founded in 1977 by its current and only president, the Rev. Father Boniface Hardin. Hardin, a Catholic monk, long dreamed of an institution that would offer an affordable liberal arts education to minority, nontraditional students. Martin is the realization of that dream. Today, 81 percent of Martin's 1,300 students come from the surrounding urban neighborhoods.

Their tuition is \$380 per credit hour – \$5,700 per semester for a full load of classes. By comparison, the 2005-06 tuition at Indiana University at Bloomington, the state's public flagship institution, is more than \$7,000 per semester.

"We are here to help the unwanted and the put-down," said Hardin. "Whoever walks through that door is part of the Martin family."

Martin University is higher education stripped of pretension. The school's total operating budget, \$6.7 million, is smaller than that of a single academic department at many larger institutions. The university's faculty totals 33. The campus is tucked into a light-industrial northeast-side neighborhood dotted with auto repair shops. Visitors and students enter campus, not through a stately gate, but between two simple computer-generated signs bearing the school's name at the intersection of Sherman Drive and 22nd Street.

Mark Mosley can't imagine a better learning environment. Even at a college that focuses on nontraditional students, he stands out. First of all, he's male – on a campus where women outnumber men three to one. Second, at age 48, he's eight years older than the average Martin student. Although he is fulfilling a prophecy – his mother worried aloud he

would spend his entire adulthood in college – Mosley didn't enter higher education with the objective of becoming the poster child for lifelong learning. He was intent, however, on earning a degree without incurring thousands of dollars in student loan debt.

"Money is the total reason I've been in school this long," he said. "If I'd been born with a silver spoon in my mouth, I'd have two or three doctorates by now."

Mosley's first stop out of high school was Butler University, a private and relatively selective liberal arts institution six miles north of the Martin campus. He said he lasted there about 18 months before the money ran out. That prompted a brief transfer to Marian College, a small Franciscan liberal arts school on Indianapolis' northwest side. Lack of funds also cut short that stay, and Mosley entered the workforce for a few years before finding his way to Martin in 1985.

Since arriving at Martin, Mosley has done whatever is necessary to obtain a college degree, even if it's meant taking one class at a time – as he often has done. He's sold his "special Southern-fried chicken" at neighborhood barbeques, washed cars, cut grass, tutored high school students, helped Martin transform a convent into classroom and received financial grants from the school.

"When one door is shut, you just find another door," he said. A performer of sacred and Christian music, Mosley has even bartered with a local church that agreed to pay part of his tuition in exchange for his musical talent during Sunday services.

"Any means that it takes to pay for tuition, I'll do it," he said. "How would it benefit me to be \$50,000 in debt when I graduate from college when the job I get will only pay about \$30,000 a year? I wouldn't make enough to pay my loan; it doesn't make any sense."

The academic side of Mosley's education has been eclectic at best. He has, over the years, taken nearly every class that Martin offers. On schedule to graduate next year, he'll receive his bachelor's degree in liberal arts. Despite his best intentions, Mosley figures he'll emerge from Martin owing approximately \$3,000 in loans.

After a quarter-century in the classroom, Mosley is considering several post-commencement options, including teaching music, substance abuse counseling and business management.

Nor has he ruled out postgraduate work, Mosley admits with a smile – even though that decision would probably fulfill his mother's prophecy.



Mark Mosley has been a pay-as-you-go “professional student” at Martin University in Indianapolis. After 25 years taking college courses, he’s nearly finished with his four-year degree. “Money is the total reason I’ve been in school this long,” Mosley says.

RISING COST OF COLLEGE

Ultimately, analysts foresee public colleges and universities increasing the push for private fund-raising to counter reduced government contributions. Many are already doing so. "We are getting to the point where we are a private university on public ground," said Northern Iowa's Schellhardt.

The emerging privatization of public colleges and universities could drastically alter Troutt's standard economic formula for higher education. Though experts predict that privatization won't significantly harm the more elite private schools, they say the impact on small, less-well-endowed liberal arts colleges could be profound.

"My guess is that, because public colleges and universities have relatively low tuition, they will see surges in enrollment," said Terry W. Hartle, senior vice president of the American Council on Education

process," he said. "It's all about guilt when it ought to be an integral part of the funding."

As a leading authority on higher education policy, ACE's Hartle is often summoned to provide perspective on issues in postsecondary education. In general, he likes what he sees. "If you were to go back and look at the 10 largest businesses in America in 1900, I don't think you'd find too many that are still in business today," he said. "If you were to look at the 10 largest colleges and universities in the U.S. in 1900, every one of them is still in business and, frankly, doing a hell of a lot better than they were in 1900. Everybody says that universities are badly run, that they don't know what they're doing. But they don't close. They always manage to work their way through difficult times."

Although the observation could certainly apply, Hartle wasn't specifically addressing the rebirth of the

University of Northern Iowa. The proof of higher education's resiliency also resides in Harvey Brown, Ashley Stockdale, Brenda Liddle, Kristin Valentine and Laura Meyer. The system may not have met all of their expectations, but it didn't fail them, either. All five are enrolled in college this fall.

Al Hays, director of the University of Northern Iowa's graduate program in public policy, says higher education is justified in celebrating whatever success Ashley, Harvey, Brenda,

Laura and Kristin achieve. At the same time, he says the system has an obligation to those who are less fortunate or less savvy – those who are unable to take advantage of community college, the wealth of private scholarships, burgeoning urban campuses such as IUPUI, and the network of available grants and loans that make college possible.

"It's the students we don't see who are most affected," Hays said. "We know about the ones who have walked through the door. But what about those who don't?"

Experts agree there are tens of thousands of such students each year – students who are qualified to attend college but are denied the opportunity because of cost. In fact, as far back as 2002, a report by the Advisory Committee on Student Financial Assistance estimated that more than 400,000 college-qualified students were unable to afford a four-year school, and nearly 170,000 were unable even to afford community college tuition. As college costs continue to rise, so too must the number of students who fail to reach their educational potential. Each of them will be a casualty in a war this nation can't afford to lose.

Steve Giegerich, former education writer for the Associated Press, teaches journalism at Columbia University.



"Financial aid is the poor stepchild of the budget process. It's all about guilt when it ought to be an integral part of the funding."

—David A. Longanecker,
Executive director,
Western Interstate Commission for
Higher Education

(ACE). "And high-quality, private and well-known private colleges and universities will continue to do very well because demand so dramatically outstrips the supply of available seats. It's the small, non-selective private colleges that will be in trouble."

Whether they take the privatization route or not, public colleges and universities cannot close the affordability gap on their own, said David A. Longanecker, executive director of the Western Interstate Commission for Higher Education. He says more states need to follow the example of Colorado and Illinois in introducing innovative programs to keep costs down. Colorado this year implemented a higher education voucher system that provides students attending state institutions up to \$2,400 apiece. Students enrolling in state colleges and universities in Illinois receive an automatic "Truth in Tuition" guarantee that freezes their tuition and fees for four years.

Longanecker would like to see states go a step further and integrate their tuition-setting, appropriations and financial aid policies into one coordinated process. In many states that process is fragmented, he said, and decisions on financial aid are made late far too late in the game.

"Financial aid is the poor stepchild of the budget

Correction

The printed version of the Winter 2005 issue of *Lumina Foundation Focus* magazine contained two errors:

- On Page 4, data from the National Center from Education Statistics was cited incorrectly in the fourth paragraph of text. The text states that, in 2000, students 25 and older represented 43 percent of American undergraduates. The correct percentage is 39 percent.
- On Page 16, an error was made in the color key used in a series of four pie charts. The colors used to illustrate two categories of postsecondary institutions – “public” and “not-for-profit private” – were inadvertently transposed.

Both errors have been corrected in the online version of the magazine, which is available at the following URL: <http://www.luminafoundation.org/publications/FocusWinter2005.pdf>. We apologize for the errors, and we appreciate your patience.

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