



Recapturing the Narrative on Cost and Tuition

By David Rosowsky

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National four-year public universities have, per student, increased tuition revenues by less than they have lost in state appropriations, while simultaneously keeping educational and related expenses flat (over the period 2006-2011, adjusted for inflation). In other words, public universities are receiving less support from their states, and are not relying on increases in tuition to make up for this decrease in state funding.

All universities are taking steps to reduce expenses and contain costs. Many are looking at their tuition structure and price-point. All are looking at their discount rate and how they are leveraging financial aid. But what are we doing to change public perception, to drive the national discourse on public higher education – to change the conversation¹?

In adjusted dollars, the costs actually have not increased over the last two decades. What has changed, however, is the level of state support to offset those costs. As state support has decreased, the effective cost to students and their families has increased. In essence, the reduction in state support is the equivalent of a tax increase on families paying for college. States are choosing this over raising taxes on the entire state population to better fund higher education (e.g.). Students and parents should be informed about all that our universities are doing to reduce total costs, while protecting the value of the education and the degree, but must also understand the dynamics at play.

Public universities' efforts to reduce expenses and contain costs, while preserving and even elevating quality and value, are happening against a number of backdrops. Taken individually and together, these backdrops provide important context to the public higher education discourse. First, and most obvious: the recession. Families have less, worry more, and have quickly become more critical, cautious, and savvy potential customers. Financial assistance is expected, competitive bidding is part of their thinking, and *cost* (not *quality*, real or perceived) is increasingly the driver in their decision-making.

Second: the change in demographics. Not only the declining numbers of high school graduates and college-bound students in many regions (such as the northeast), but changes in the college-bound population itself (non-traditional students, veterans, returning students, transfers, hybrid learners, etc.) and of course the increased competition for out-of-state and out-of-region students. Today's undergraduate student is more mobile, more moveable, and in many cases more likely to want to go farther away to college.

Third: increased regulation and requirements for compliance, increased oversight at the state and federal levels, and an increased sense of “entitlement” (or at least “what have you done for us lately”) by state legislatures and higher education coordinating boards, even as they continue to reduce support to public universities.

¹ An excellent example, Tom Milligan, Vice President of External Relations at Colorado State University, provides all new faculty and staff members at orientation with talking points to respond to criticisms about the continuing rise in the cost of public higher education.

There is a fourth point to consider when thinking about cost, tuition, and perception – the closing gap between public and private universities. Both are increasingly dependent on tuition revenue. Both have made financial aid (scholarships) a top priority for fundraising. Public universities no longer have a monopoly on federal and state support² for research in areas such as transportation, education, the environment, public policy. And finally, as the public versus private distinction is becoming smaller and actual costs to families are converging, both public and private universities are hitting their “saturation point” in terms of price (when considering total costs for non-residents at many public universities).

Perception matters, now more than ever. We have more savvy customers, more watchful and critical state officials with increased expectations despite decreased levels of support, and a cost-weary public post-recession. We also have more ubiquitous and varied media where information and misinformation goes viral quickly. Different target audiences get their information in different ways. And universities are spending more and more on crafting, delivering, and marketing their messages.

We really have two distinct audiences when we think about our messaging: (1) the state (legislators and other officials), and (2) the public (tax-payers, neighbors, partners, and more importantly future students and their families). And while there is overlap in the messaging to these two audiences, the messages and the messaging strategy are not all the same. The state, for example, may or may not be focused on academic quality, rigor, and the curricular and co-curricular experiences we provide to our students (a provost’s focus). The public audience has different concerns. Parents and students don’t care how much (or how little) state support a university receives *per se*. They do care, however, about the actual costs to them. Alumni want to know their “stock is rising” – that the reputation of the university, and hence the perceived value of their degree, is on an upward trajectory. And corporate partners and donors want to know about impact, leverage, and ROI.

All of us in public higher education are responding, more or less, in the same ways, with print and web media, social media, and increasingly sophisticated external marketing strategies. Whereas mail-outs and other marketing strategies were once limited, primarily, to the recruitment of students, these are now used to enhance visibility, document ROI, influence rankings, celebrate awards, and announce new faculty, major awards, new centers, and even new capital projects. These are all best practices today.

All of this is aimed at creating (or at least communicating) a competitive advantage – why one university should be selected, regarded, supported, considered, or ranked above another. But we also need to develop a strategic communications and marketing plan *together*, aimed at the broadest audiences of public opinion, corporations, and government.

The power of what we do – who we are, how we have impact, and how we create knowledge, jobs, technologies, and cultural, intellectual, and economic growth for states and regions – is in our numbers and our network, not just in our individual institutions.

The Association of Public and Land Grant Universities (APLU) is an important lobbying organization and a leading voice in the national dialog on public higher education. APLU produces high quality, targeted, and strategic media messages, policy statements, and position papers. These can be customized for state-wide and regional audiences simply by splicing-in messages, images, and information from universities and university officials.

² The growth in corporate research support and partnerships, brought on in part by the decline in federal and state-funded research, removes some of the competitive advantage once held by public research universities. State support for research, for example, was directed to the state’s public universities. Corporations, on the other hand, have no such restriction.

Such customized and locally-aimed strategies makes the message more personal, more accessible, and ultimately have greater impact on our critical audiences: governor, legislators, and other state officials; students and families; the general public (“neighbors, voters, and tax-payers”); corporate and industrial partners; donors; and partner institutions.

In thinking about the need to change the conversation, distinguishing reality from perception, and making clear what we *are* and are *not* to our states, we should focus on the following issues: (1) sticker price vs. actual cost, (2) value proposition and ROI, and (3) educational debt vs. lifestyle debt³. Public universities *are not* a drain on resources, a luxury, or models of bloated inefficiency. We *are* a great and critically needed investment.

Our value proposition has never been stronger. The investment needed to obtain a degree from a public university has not increased over the last two decades. And while more of the costs are being passed to students and families, as state support continues to decline, the actual cost (and relative debt load) for families has been more or less unchanged. This is a testament to universities’ efforts to simultaneously reduce costs while elevating quality. Graduates of our universities quickly contribute to the state’s economy, often paying back the state’s investment in their education in fewer than four years of paying taxes. Over their working lifetime, they will earn more than \$1M more than their peers who did not invest in a college education.

Let’s change the conversation. Let’s talk about and celebrate what public research universities continue to do, year after year, for our students and our states. It’s about quality. It’s about value. It’s about time.

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³ Students have high (and increasing) expectations for on-campus and near-campus residential life facilities, athletics and recreational facilities, and a myriad of other amenities that have become ubiquitous among colleges and universities. Universities also are facing escalating costs associated with recruiting and retaining faculty and specialized staff, health care, and energy – to say nothing of our mounting deferred maintenance obligations to both physical and IT infrastructure. It’s important that we track and separate these educational and related costs, distinguish them from other lifestyle costs, and properly message educational vs. lifestyle debt.