

United States Senate

WASHINGTON, DC 20510

June 14, 2019

Mr. David Coleman
President & CEO
The College Board
250 Vesey Street
New York, NY 10281

Dear Mr. Coleman:

The rising price of higher education has contributed to growing economic and racial inequality, leading low and middle-income families to take on significant debt to pursue higher education, or forgo college altogether. Despite ongoing efforts to address college costs, the national student loan debt has ballooned to over \$1.5 trillion.¹ We urgently need to make college more affordable, and we must operate from a set of common facts and evidence in order to do so. The College Board's annual publications, *Trends in Student Aid* and *Trends in College Pricing*, are well known to the higher education community and serve as meaningful resources for policymakers and the public. Unfortunately, these reports underestimate the current state of college prices. The College Board can help address college affordability by updating these reports to better reflect the true costs of attaining higher education.

Currently, the reports exclude many of the expenses that students in higher education face, even though research demonstrates these costs are key barriers to degree completion. For example, the *Trends in College Pricing* report states that books, supplies, and transportation "are not really additional costs associated with attending college, but are expenses people face whether or not they are in school."² We believe this is inaccurate based on a number of studies showing that living costs are often higher, not lower, for people enrolled in college. Moreover, people who are not enrolled in college do not have to purchase textbooks and course materials on a regular basis, so it is not accurate to assume these are insignificant or everyday expenses.

While the report acknowledges that costs of living pose "a significant hurdle for many students," some figures in the report—particularly the definition of net price—minimize and obscure these struggles for students. They also obscure the role that these expenses play in the student debt crisis. The U.S. Government Accountability Office's recent 2019 report on college food insecurity³ and its 2016 report on youth homelessness in higher education⁴ highlight some economic-related problems that too many students face.

The net price statistics used in the College Board's reports also mischaracterize the aid that is likely to be received. *Trends in College Pricing* states that, for the average community college

¹ https://www.washingtonpost.com/business/2018/10/04/us-student-loan-debt-reaches-staggering-trillion/?utm_term=.1c059b2fabf4

² The College Board. *Trends in College Pricing* 2018. <https://trends.collegeboard.org/sites/default/files/2018-trends-in-college-pricing.pdf> (page 7).

³ <https://www.gao.gov/products/GAO-19-95>

⁴ <https://www.gao.gov/products/GAO-16-343>

student, “grant aid and tax benefits cover all of the tuition and fees.”⁵ The net price page and tables use a “net tuition and fees” figure of negative \$390, which implies that students receive more aid than the cost of attendance or earn money by attending community college. While community colleges are often high quality, affordable options for students, research shows that many community college students still take on debt to cover costs.⁶

First, community college prices are inherently local and vary widely state by state. National averages obscure that reality. Second, tax benefits (arriving in the spring, at the earliest) are not available when college bills are due. Data also show that tax benefits for higher education are skewed toward wealthier students compared to both enrolled students and the general population. Third, the report makes inappropriate assumptions about the “average” community college student. This is a diverse population that includes many students who are deemed ineligible for the Pell Grant but still have unmet financial need. Some students are not required to file taxes and therefore do not receive the tax benefits that accrue from filing—a limitation well known in other areas of tax policy, like the Earned Income Tax Credit. These are also students for whom the opportunity costs of attending college are especially high, as they tradeoff time for family and work for time in school. For these reasons, it is misleading to offer a “net tuition and fees” figure that includes tax benefits. We recommend eliminating this information from the report.

The *Trends* reports are also missing a key figure: the total cost of a degree. No student intending to complete a multi-year degree or credential pays just a single year of tuition and fees. Students and families need to know what their total out-of-pocket costs will look like and how much they might need to borrow to complete their program in order to make informed decisions about pursuing higher education. Students would also benefit from seeing more clearly how the total cost of a degree has changed over time, and may change in total during their time in higher education. Policymakers would also be able to make more accurate recommendations if provided with cost estimates that paint a clearer picture about the true costs of attaining a degree.

It is our hope that, prior to issuing the 2019 trend reports, you will consult with stakeholders, researchers, policymakers, and students about the context, value, and accuracy of the data provided. We truly appreciate College Board’s leadership in expanding access to higher education, and we hope that you will be a key partner in the effort to address college costs. We appreciate your attention to these concerns.

Sincerely,




BRIAN SCHATZ
United States Senator




KAMALA D. HARRIS
United States Senator

⁵ *Ibid.*

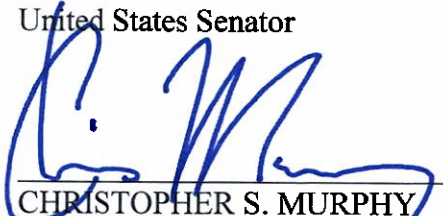
⁶ <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2016/05/10/the-student-debt-crisis-at-state-community-colleges>


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CC: Dr. Sandy Baum, Consultant, The College Board