Faculty Senate

Changes in the Cost of Tuition.

Income Inequalities
Social polarization in terms of income and access to higher education is a rapidly growing phenomenon in U.S. society. The popular press, for example, has focused much attention in recent years on income inequalities. Kentucky had one of the highest levels of across-the-board income inequality in 1994 and 1995, with many of the counties in the WKU service area suffering from a widening income gap. The cost of tuition and associated expenses (room, board, books, etc.) for the average Western student thus becomes even more critical with each passing year.

A Widening Tuition Gap
Since 1980, at the national level, tuition and fees have increased cumulatively by 256 percent, compared to a cumulative increase in median household incomes of 82 percent and in consumer prices of 79 percent. The gap between the annual cost of an education and the average household income in WKU service area counties continues to widen. This polarization has, and will continue to have, serious implications for Western over the coming decade. Is the University fulfilling its mission--offering a high-quality education to ALL citizens--or is it increasingly pricing those that need access to an educational opportunity the most out of the market? If we work on the assumption that a rising tide raises all boats, what happens to those boats (students) that are stranded because they have no access to the water (money for education)? Is Western helping to perpetuate the social polarization problem by pricing those that are in the lower echelons of income distribution out of an educational opportunity?

Western Tuition Increases Outpace MHI Growth
Preliminary statistics circulated at the September 1996 Faculty Senate meeting suggest that Western is doing just that. Tuition and other expenses have increased on average by 6.85 percent every year since 1991 at Western, while the annual national inflation rate has remained at or below 3 percent. For example, the 1995 median household income (MHI) in Butler County was approximately $23,800 (before taxes). For the 1995-96 academic year, the average Western student paid $1910 in tuition and fees, $1366 in housing, $1450 in food, and $450 in books and materials, for a total cost of $5,176. This equates to nearly 22 percent of the MHI of Butler county. In Logan County, the average cost of tuition equaled 26.5 percent of the county’s MHI. For the 1996-97 academic year, average overall tuition costs are $5540, a 7 percent increase over the previous academic year. This increase far outpaces the estimated 1996 inflation rate of 2.5 percent nationally.

Implications
Obviously, if the cost of education for the average South Central Kentucky potential college student continues to spiral
out of control, recruitment and retention will prove increasingly more difficult. One of the questions we need to ask is: are we targeting scholarships and other types of tuition assistance to the most needy sector of the potential student pool? Are students getting good value for their tuition dollar at Western? What percentage of the average tuition income goes to administration versus instructional activities? What strategies can be developed to maintain stability in the cost of tuition, especially the cost of tuition relative to the median household income of Western's service area counties? What strategies can be developed to recruit more international students, who typically pay higher out-of-state fees and thus help (in a sense) to subsidize in-state tuition? Other questions revolve around the relationship between tuition income and state appropriations. Obviously, if state support declines in net dollars, money must be found from other sources if the same level of operation is to be maintained. Frequently, tuition is targeted as the source of additional income to make up for shortfalls in state appropriations.