



IHE Research in Progress Series 2019-006
Submitted to series: May 13, 2019

Institutional Policy and the Struggle to Maintain Tuition Transparency in an Increasingly Complex Environment

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Wolniak, G., George, C., Nelson, G., & Davis, L. (2019). Institutional Policy and the Struggle to Maintain Tuition Transparency in an Increasingly Complex Environment. *IHE Research Projects Series 2019-006*. Retrieved from: https://ihe.uga.edu/rps/2019_006

Institutional Policy and the Struggle to Maintain Tuition Transparency in an Increasingly Complex Environment

Association of American Colleges & Universities | January 25, 2019

Atlanta, GA

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Objectives

▶ Brief History and Context

- Public higher education tuition policy
- Rise of Differential Tuition
- (Un)Intended consequences
- Data complexity

▶ The “Affordability and Transparency Initiative”

- Aims
 - Evidence
 - Conclusions
-

History and Context

- ▶ **Pre-1970** Tuition was uniform across the academy
 - ▶ Exceptions: Non-residents (do not pay state income tax)
 - ▶ Some medical, some law (private good?)
- ▶ **1970's** Reductions in state appropriations & increases in expenditures
 - ▶ Differences for graduate education (private good?)
 - ▶ Limited experimentation with “differential” fees
 - ▶ Time of course, mode of delivery, program, class year
- ▶ **1980 – 2019** Significant reductions in appropriations & increases in expenditures
 - ▶ Search for new revenue streams
 - ▶ Differential tuition by year and or major



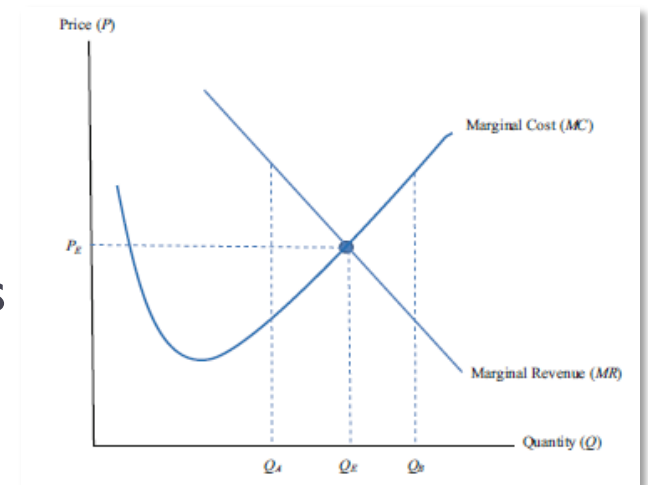
History and Context

▶ Differential Tuition (DT)

- The purposeful variation in undergraduate tuition by major area of study and/or year of enrollment (Cornell, 2012; Nelson, 2008; Stange, 2015).

▶ Why DT as a policy?

- Better align price with instructional cost
- Better align price with expected earnings by major



History and Context

▶ (Un)Intended Consequences

- Lower price of STEM to increase STEM participation
 - **Intended** Consequence
 - Discussions in Florida and Kentucky
 - No evidence to support the premise
- Students from low SES backgrounds choose low cost majors
 - **Unintended** Consequence
 - Limited research, but some evidence shows...
 - Negative relationships between adoption of DT and degrees awarded in Engineering & Business (Stange, 2015)

Opportunities for Research and Practice

▶ Research into Differential Tuition

- Prevalence?
- Moved beyond high and very high research institutions?
- Which programs or fields of study?
- Disparate impacts on sub groups of students?

▶ Data Complexity

- Information not easy to find
- Difficult to understand and analyze
- Led us to a macro issue of transparency in pricing*

The Affordability & Transparency Initiative

- ▶ A set of research projects aimed to improve the accuracy and accessibility of information pertaining to college costs.
- ▶ Responds to the fact that tuition policies have become increasingly complex, which may...
 - Erode decision-making by introducing asymmetric and/or imperfect information.
 - Disproportionately affect underrepresented students.



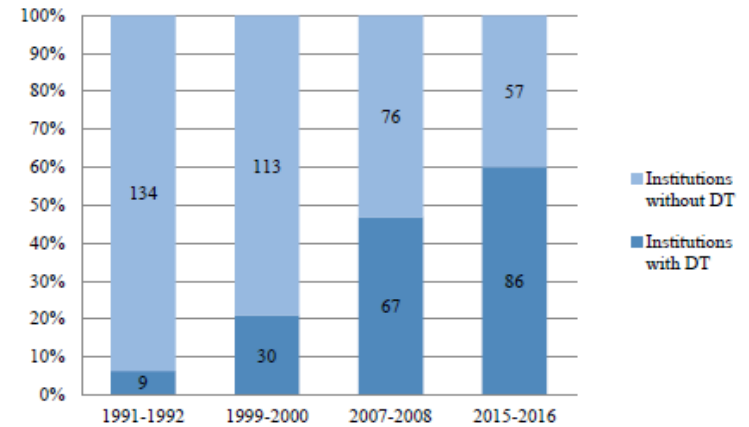
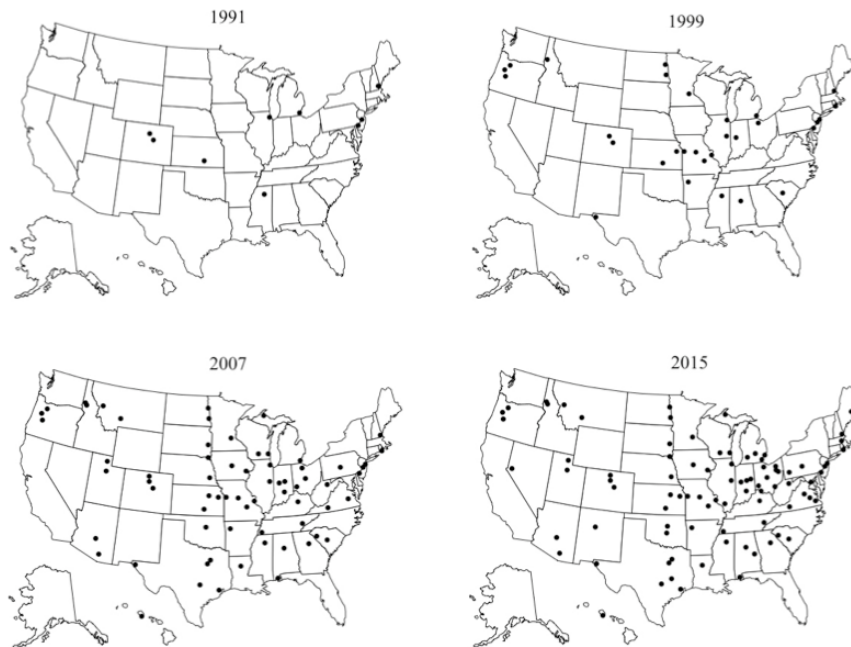
Four Interrelated Studies*

- ▶ *The Emerging Differential Tuition Era in the United States*
- ▶ *Do Differential Tuition Policies Drive Away Low SES Students?*
- ▶ *From the Outside Looking In: Results from a Randomized Experiment on College Tuition Information*
- ▶ *Demystifying Tuition: A Content Analysis of the Information Quality of Public College and University Websites*

* Collaborating Researchers: Casey George; Gregory Wolniak; Glen Nelson; Laura Davis

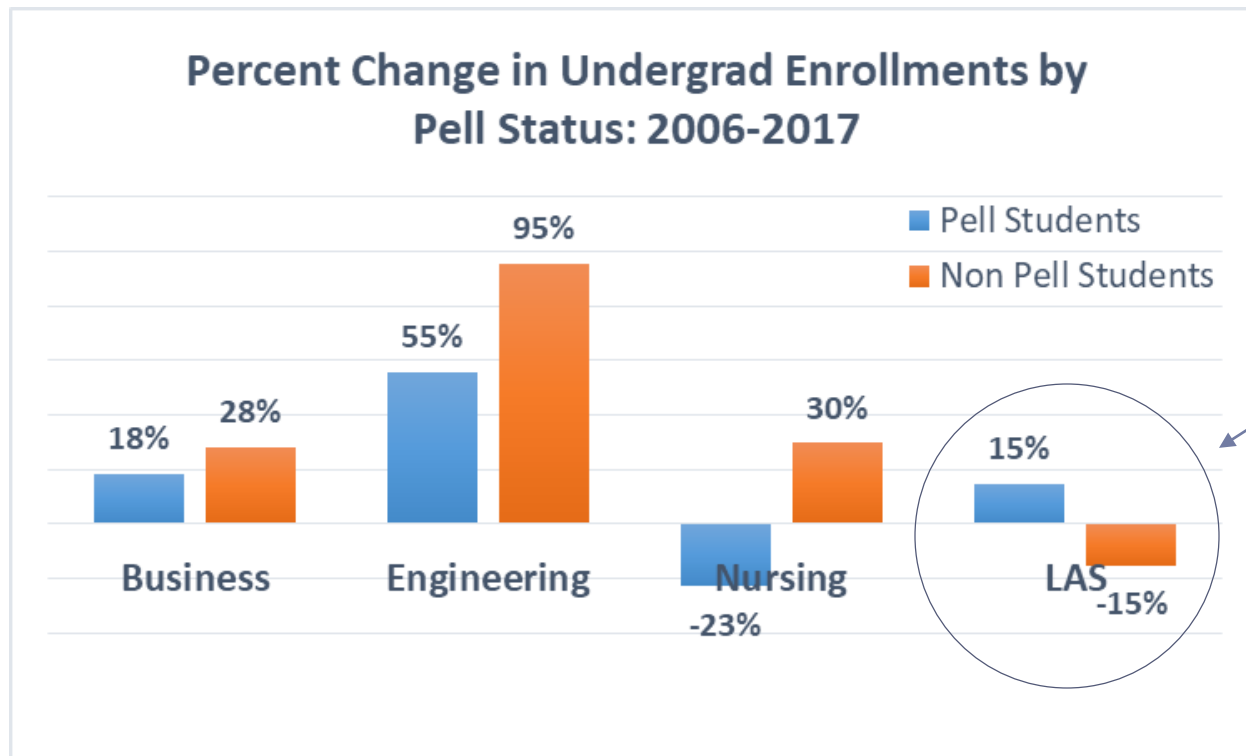
Four Interrelated Studies

► *The Emerging Differential Tuition Era in the United States*



Four Interrelated Studies

- ▶ *The Emerging Differential Tuition Era in the United States*
- ▶ *Do Differential Tuition Policies Drive Away Low SES Students?*



Only LAS did not implement DT during this time period

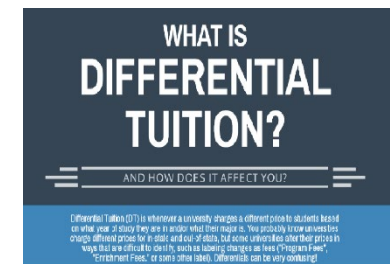
Four Interrelated Studies

- ▶ *The Emerging Differential Tuition Era in the United States*
- ▶ *Do Differential Tuition Policies Drive Away Low SES Students?*
- ▶ ***From the Outside Looking In: Results from a Randomized Experiment on College Tuition Information***

- Randomized experiment administered online (N=796), using an infographic that defines DT and provides information on how to interpret tuition tables.
- Multivariate analyses revealed:

Main Finding #1: More complex tuition table = Lower odds of correctly interpreting the information

Main Finding #2: Higher levels of education attainment = Higher odds of correctly interpreting tuition tables... In other words: Complexity erodes accuracy, but to a lesser extent for more highly educated individuals, perpetuating social stratification.



01 Examples of Differential Tuition

At a given institution, base tuition may be \$12,500 per year.
Tuition for students enrolling in nursing may be \$18,000 per year.
In this example, the DT is \$5,500 per year, and the DT is based on the program of study.

Another institution may charge a senior business major more than a freshman business major. Here, the DT is based on both the class standing and program of study.

02 What Should You Look Out For?

Determine if the tuition amounts are listed per year or per semester.
DT can also be listed per credit hour. Be sure to determine what courses and how many credit hours you will be taking to calculate the cost of tuition.
DT can be included as a "hold" before tuition tables or some websites or included in a more detailed tuition table in a coverable fee.





Four Interrelated Studies

- ▶ *The Emerging Differential Tuition Era in the United States*
- ▶ *Do Differential Tuition Policies Drive Away Low SES Students?*
- ▶ *From the Outside Looking In: Results from a Randomized Experiment on College Tuition Information*
- ▶ ***Demystifying Tuition: A Content Analysis of the Information Quality of Public College and University Websites***
 - Qualitative content analysis of a random sample of 50 public, 4-yr institutions revealed patterns of navigational/user challenges:
 1. Information Fragmentation
 2. Language use, consistency, and meaning.
 - If Informational quality can be characterized, it can also be measured



Conclusions

- ❖ The system has become increasingly complex
- ❖ DT policies contribute to this complexity...
 - Erodes comprehension of tuition tables *and*
 - Discourages lower-income students from entering fields of study where they are most needed (and where students benefit most).
- ❖ Institutions have a responsibility to present tuition and cost information **accurately and transparently**.
 - Failing to do so contradicts the most basic and historic tenants of public higher education.

Questions, Comments, Follow-ups...

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