

# Contents

## Part I Introduction

- |   |    |
|---|----|
| 1. The Landscape of the College Cost Debate | 5  |
| 2. Is Higher Education All That Unusual?    | 19 |

## Part II Costs

- |   |     |
|---|-----|
| 3. Higher Education Is a Service                          | 35  |
| 4. The Costs of Employing Highly Educated Workers         | 49  |
| 5. Cost and Quality in Higher Education                   | 63  |
| 6. The Bottom Line: Why <i>Does</i> College Cost So Much? | 82  |
| 7. Is Higher Education Increasingly Dysfunctional?        | 92  |
| 8. Productivity Growth in Higher Education                | 114 |

## Part III Tuition and Fees

- |   |     |
|---|-----|
| 9. Subsidies and Tuition Setting                | 137 |
| 10. List-Price Tuition and Institutional Grants | 150 |
| 11. Outside Financial Aid                       | 171 |
| 12. The College Affordability Crisis            | 185 |

**Part IV Policy**

<b>13.</b>	<b>Federal Policy and College Tuition</b>	<b>201</b>
<b>14.</b>	<b>Financial Aid Policy</b>	<b>214</b>
<b>15.</b>	<b>Rewriting the Relationship between States and Their Public Universities</b>	<b>235</b>
<b>16.</b>	<b>A Few Final Observations</b>	<b>252</b>
	<i>Appendix 1 Data on Costs and Prices</i>	<b>263</b>
	<i>Appendix 2 Granger Causality Tests of the Bennett Hypothesis</i>	<b>267</b>
	<i>Notes</i>	<b>271</b>
	<i>Bibliography</i>	<b>277</b>
	<i>Index</i>	<b>283</b>