

THE PRICE OF OPPORTUNITY: THE DELIBERATION ON COST AND QUALITY



Today, the meaning of a college education is dynamic. The burden of the financials is heavy on students when deciphering which institution to attend or to attend at all. Every year, the cost of college continues to rise, placing increasing pressure on students and families. Tuition at public universities has climbed steadily over the past few decades, and Penn State now ranks among the most expensive public institutions in the Big Ten. The question is no longer whether college has become expensive, but rather who should carry the responsibility for paying for it. However, there are more parties involved than one may believe at first glance.

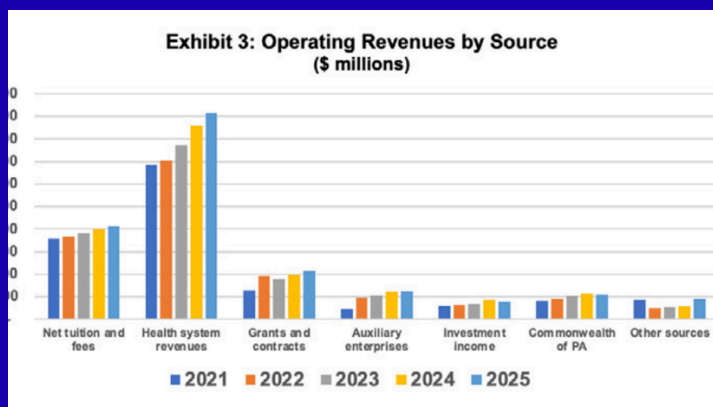
The issue of college affordability extends far beyond students alone. When tuition rises, low-income and first-generation students face greater barriers to entry, while middle-income families struggle to keep up with growing financial demands. Universities are affected as they attempt to balance educational quality, research expectations, and budget limitations. Taxpayers and state governments are also involved, since public institutions rely on state funding. Employers and communities are impacted as well, as workforce development increasingly depends on access to higher education. No matter one's place, the cost of college has a role to play in their lives.

We propose three approaches: Institutional Funding and Structure, Equity, Access, and the Distribution of Burdens, and Protecting Stakeholders and Preserving Educational Quality. Each offers potential benefits and detrimental tradeoffs to consider when looking how to approach this pressing issue. We must ensure we balance affordability with access and quality. Tuition freezes and expanded degree pathways, increased state funding from taxpayers, or a targeted cost-reduction method could help make the fantasy of accessible education a reality.

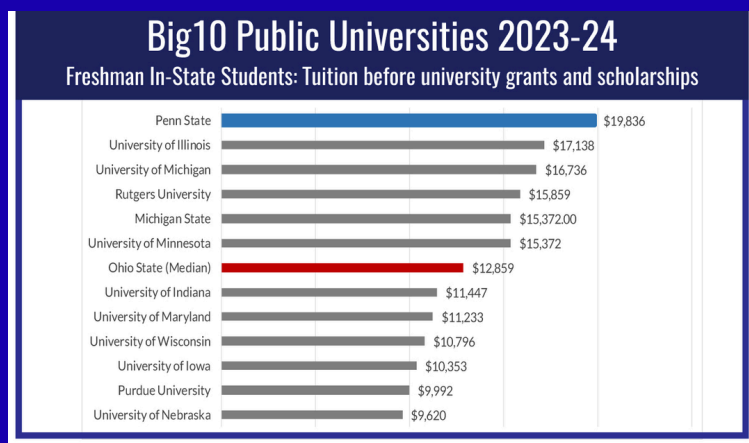


Approach N.º 1: Institutional Funding and Structure

Penn State reported a net asset increase of \$1.06 billion, reflecting strong operational performance and investment gains. Much of the funding supports faculty and staff salaries, research initiatives that strengthen the university’s national standing, and student services such as advising, counseling, and career support, alongside campus infrastructure. Tuition and fees account for roughly 77% of Penn State’s Education and General budget. Yet affordability remains a concern, as Penn State is the most expensive public university in the Big Ten. Therefore, strategies to alter tuition structure and overall organization could aid in this situation.



One potential solution is a tuition freeze, particularly a multi-year guarantee that locks in rates for each incoming class. Because Penn State’s tuition can rise by up to 24% as students accumulate credits, predictable pricing would improve financial planning and retention while preserving institutional funding. This model, used at Purdue and Ohio State, maintains resource stability while allowing modest increases for future classes.



A second approach is expanding accelerated degree pathways. Greater acceptance of AP and transfer credits, improved advising, and reliable access to required courses would allow students to graduate sooner and reduce tuition expenses. Although students would pay for fewer semesters, Penn State could offset losses by enrolling additional students, protecting revenue while improving affordability.

However, these approaches come with tradeoffs. Expanding accelerated pathways cause more students to enroll to offset the lost tuition, which requires more space, housing, and staff. A tuition freeze could also reduce financial flexibility for the university, especially during periods of inflation or unexpected costs, shifting pressure onto fees, housing, or future student groups.

Further Deliberation Questions:

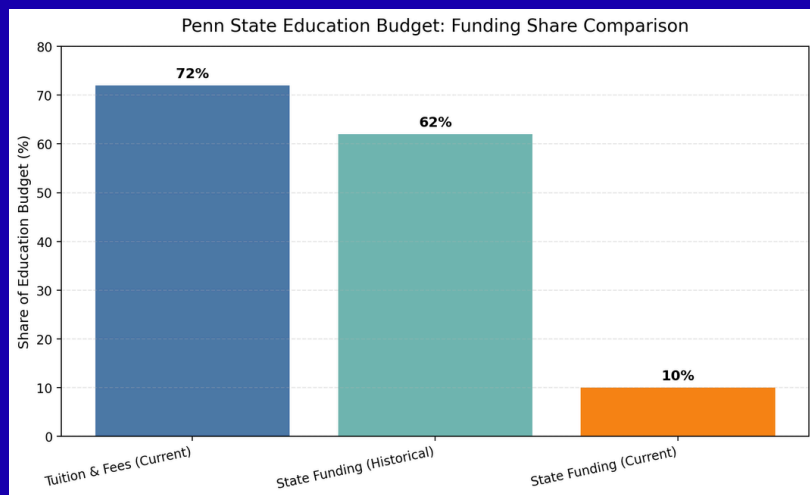
- When discussing the lowering of tuition prices, what does that value entail? 10% lower? 20% lower? How would it economically affect the town or the entire state?
- How would the lower cost of overall college expenses for a student affect the application, acceptance, and enrollment numbers?
- Would the lower cost of overall college expenses for students affect the national educational incentive on the population?

APPROACH N.º 2: EQUITY, ACCESS, AND THE DISTRIBUTION OF BURDENS

When we consider how to lower the cost of college, the tension is not just about cutting prices, it is about how to do it responsibly. It is imperative that we prioritize protecting students who are low-income, first-generation, and marginalized who rely heavily on financial aid, campus jobs, housing support, and academic resources. If we reduce costs by cutting student services or financial aid programs, we risk helping only certain students while hurting those who need the most support.

One approach would be giving taxpayers initial financial responsibility. Currently, it only makes up for 10% of the education budget, while tuition accounts for 72%. Though in the past, state funding was 62% of the budget. When greater responsibility is placed on the state, the university could rely less on tuition revenue. This would cause it to decrease, easing the financial pressure. More students could afford to attend college and earn degrees. More graduates can fill the workforce and earn higher salaries. Larger earnings result in bigger tax contributions and increased consumer spending. This would allow us to reap the benefits that high earnings perpetrate on a community.

However, this approach comes with tradeoffs. Increasing taxpayer investment places greater financial responsibility on the state, which may face budget limitations. Additional funding for higher education could require higher taxes or reduced spending in other public areas such as infrastructure, healthcare, or K-12 education. Universities may also become more dependent on state funding, creating financial uncertainty if economic conditions change or if government priorities shift.



Further Deliberation Questions:

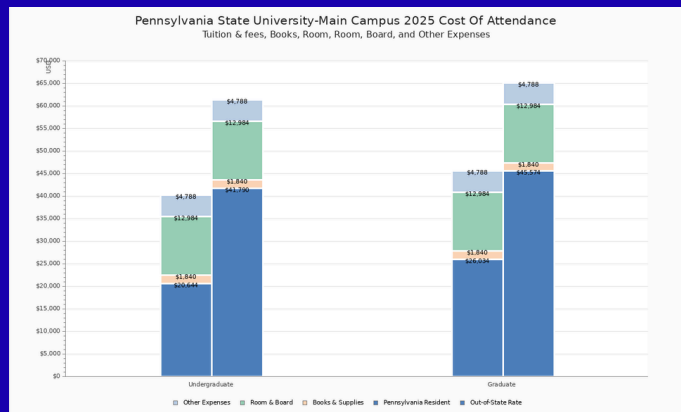
- Who benefits the most when college tuition is reduced? Is it low-income students, middle-income families, institutions, or society as a whole?
- If tuition is lowered, who should bear the financial responsibility? How do we choose?
- How might universities respond to reduced tuition revenue, such as increasing fees, overcrowding classes, or relying more heavily on staff?

Approach N.°3: Protecting Stakeholders and Preserving Educational Quality

Protecting stakeholders and the educational quality of Penn State is essential when considering a change like lowering tuition. However, lowering the cost of tuition at an institution like Penn State will inevitably lead to budget cuts and increased enrollment. Although challenging, there are ways to approach lowering tuition without harming important services and programs.

Instead of implementing universal tuition cuts, Penn State could use a targeted cost-reduction strategy. This approach focuses on lowering financial burdens rather than placing a cap on tuition prices. Unlike policy-imposed tuition caps, a targeted strategy allows the university to expand its financial aid capacity by increasing need-based aid and grants for lower-income students while expanding scholarship opportunities for middle-class students.

A targeted approach may also allow the university to reduce indirect costs that contribute to the overall financial burden of attending college, including housing, meal plans, course materials, and mandatory student fees. Addressing these expenses could improve affordability without significantly reducing revenue that supports academic programs and research initiatives.



This approach promotes fairness by directing support toward students who need it most while expanding affordability to middle-class students. It also preserves Penn State's academic quality and reputation, ensuring continued access to strong academic programs, undergraduate research opportunities, and support services. Maintaining funding will help Penn State remain competitive in attracting faculty, research grants, and partnerships that benefit students and the community.

However, the tradeoffs are significant. Expanding financial aid will require the university to reevaluate budget priorities and shift money from other programs. Penn State will also need new revenue streams to fund financial aid programs. Some students and families may find targeted aid less beneficial than universal tuition cuts, and determining eligibility can be complex and raise concerns about fairness.

Further Deliberation Questions:

- Should universities prioritize affordability through targeted financial assistance or broad tuition reductions?
- How should institutions balance accessibility with maintaining academic quality and research opportunities?
- What responsibility do universities have to support students while protecting the long-term stability of their programs and services?

Works Cited and More Information

Barry Fenchak. *Penn State's Affordability Gap*. Barry Fenchak, <https://barryfenchak.com/penn-states-affordability-gap/>.

Bureau of Labor Statistics. "College Tuition and Fees." *U.S. Bureau of Labor Statistics*, <https://www.bls.gov/cpi/factsheets/college-tuition.htm>.

Brookings Institution. "Covering the Tuition Bill: How Do Families Pay the Rising Price of College?" *Brookings*, <https://www.brookings.edu/articles/covering-the-tuition-bill-how-do-families-pay-the-rising-price-of-college/>.

Cooper, Preston. "College Tuition Is Too High, but Competition Can Fix It." *Forbes*, 8 Mar. 2021, <https://www.forbes.com/sites/prestoncooper2/2021/03/08/college-tuition-is-too-high-but-competition-can-fix-it/>.

National Public Radio. "College Costs Have Risen Dramatically in the Last 20 Years. Here's Why." *NPR*, 20 Nov. 2025, <https://www.npr.org/2025/11/20/nx-s1-5600854/college-costs-have-risen-dramatically-in-the-last-20-years-heres-why>.

Pennsylvania State University. *Audited Financial Statement, 30 June 2025*. University Senior Leadership, 2025, <https://budgetandfinance.psu.edu/sites/budgetandfinance/files/psu-fy25-audited-financial-statements-final.pdf>.

Pennsylvania State University. "General Assembly Approves Penn State's 2024-25 State Funding." *Penn State News*, <https://www.psu.edu/news/administration/story/general-assembly-approves-penn-states-2024-25-state-funding>.

Pennsylvania State University. "Penn State Ranks in Top 5% Globally in 2026 the World University Rankings." *Penn State News*, 9 Oct. 2025, <https://www.psu.edu/news/academics/story/penn-state-ranks-top-5-globally-2026-world-university-rankings>.

Pennsylvania State University. "Where Does My Tuition Go?" *Penn State Budget and Finance*, <https://budgetandfinance.psu.edu/where-does-my-tuition-go>.

The Ohio State University. "The Ohio State Value." *Ohio State Undergraduate Admissions*, <https://undergrad.osu.edu/cost-and-aid/ohio-state-value>.

U.S. News & World Report. "See 20 Years of Tuition Growth at National Universities." *U.S. News*, <https://www.usnews.com/education/best-colleges/paying-for-college/articles/see-20-years-of-tuition-growth-at-national-universities>.