

## **Affording the Future: A Critical Analysis of Tuition Costs and Student Financial Burdens in Higher Education**

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**ABSTRACT:** This study explores the impact of rising tuition costs and the accompanying financial burdens on college students through the administration of the Value of Higher Education Over Time Questionnaire, conducted with participants from multiple U.S. institutions. A structured questionnaire was distributed to 30 respondents, capturing a range of student experiences related to tuition affordability, dependence on financial aid and student loans, employment during enrollment, and the psychological and academic consequences of financial stress. Quantitative analysis identified trends across demographic groups, while qualitative open-ended responses provided nuanced insights into the lived realities of financing higher education. Findings indicate that 73% of participants consider tuition a significant source of stress, yet 86% maintain that earning a bachelor's degree remains a worthwhile investment. The study underscores the disproportionate impact of affordability challenges, academic performance expectations, and essential living costs on students. Notably, many respondents reported enduring long-term financial strain due to tuition-related expenses, with loan repayment projected to extend several years post-graduation. These results highlight the urgent need for systemic reform in higher education financing. The study concludes with policy and institutional recommendations aimed at enhancing affordability and access, including increased transparency in financial aid processes, expansion of need-based aid, and initiatives to reduce non-tuition expenses. By centering on student perspectives, this research provides valuable insights into how financial barriers shape educational experiences and outcomes, advancing broader conversations on educational equity and socioeconomic mobility in the contemporary context.

**KEYWORDS:** higher education affordability, tuition costs, postsecondary education financing, student financial burden, college access, student debt, student loan crisis, financial aid, socioeconomic disparities, higher education policy, cost of attendance, educational equity, first-generation students, public vs. private funding, financial stress

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## Introduction

In today's globalized and rapidly evolving economy, higher education occupies a paradoxical position—venerated as a pathway to socioeconomic mobility, yet increasingly burdened by prohibitive costs. Over the past century, the discourse on college affordability has shifted from one of broad accessibility to one marked by growing financial strain. In the early to mid-20th century, postsecondary education was considered both attainable and instrumental to career advancement, largely due to its relatively low cost. However, since the 1980s, tuition rates have escalated dramatically, prompting renewed scrutiny of higher education's return on investment.

This rising cost has fundamentally altered student decision-making, with many prospective learners opting for community colleges or alternative pathways that offer more affordable routes to career entry. Simultaneously, financial aid systems have become both indispensable and increasingly complex. While grants, scholarships, and loan programs provide critical support, the long-term burden of student debt remains a central concern, especially as wage growth stagnates and employment outcomes become less predictable. Skepticism regarding the overall value of a college degree has grown alongside the emergence of non-traditional educational models, including vocational training, online certifications, and entrepreneurship. These developments challenge the long-standing assumption that a four-year degree is the default or most effective route to success. Consequently, the question of affordability is no longer purely economic—it also reflects evolving cultural, social, and institutional dynamics.

Understanding higher education affordability today demands a holistic perspective that integrates financial realities with broader structural and societal shifts. As students and families increasingly weigh educational aspirations against both immediate and long-term costs, the need for systemic reform becomes more urgent. This study seeks to illuminate these tensions and contribute to policy discourse aimed at ensuring that higher education remains a viable and equitable foundation for future opportunity.

## Literature Review

### *A Historical Overview of Tuition Growth in Higher Education*

The formal study of higher education dates back nearly a century, with the first documented analysis emerging in 1928. At that time, annual tuition costs averaged around \$500—an amount that was relatively affordable, particularly for students from affluent families who made up the majority of college enrollees. (Reeves, 1928). This figure reflects tuition rates at accredited universities of the era. By contrast, tuition costs had risen to approximately \$5,000 per year by the late 1980s—ten times the earlier rate (Bryant, 2025). The 1980s marked the beginning of a period of sustained and significant tuition growth that continues

today. Despite these rising costs, college enrollment rates have remained relatively stable. Between 2012 and 2022, undergraduate enrollment rates fluctuated only slightly, from 39% to 41%, indicating continued demand for higher education even amid escalating financial barriers (National Center for Education Statistics, 2024).

### ***Strategic Enrollment Decisions in Response to Rising Tuition Costs***

As tuition rates continue to rise, students have become increasingly strategic in choosing where to pursue their degrees. Financial considerations now play a critical role in the college selection process, with many students prioritizing institutions offering significant tuition discounts or generous financial aid packages (McPherson & Schapiro, 1991). One increasingly popular alternative has been community colleges, which offer a more affordable path to higher education. Between 2007 and 2009, during a period of economic downturn and rising living costs, community colleges experienced a notable increase in enrollment, retention, and graduation rates, as students sought cost-effective options that did not require substantial loans. When comparing enrollment rates from 1973 to those in 2007 and 2008, the average proportion of students attending community college stood at approximately 33.5%. While this rate remained consistent, the cultural emphasis on obtaining a college degree led many young adults to view community college as a financially viable stepping stone toward broader academic and career goals (Fry, 2009).

### ***The Role of Prestige and Institutional Competition in Tuition Pricing***

Another major factor influencing students' decisions about where to pursue higher education is institutional prestige. Universities labeled as "Ivy League" or widely recognized institutions such as the University of California, Los Angeles (UCLA), or New York University (NYU), often charge significantly higher tuition. This elevated cost is frequently justified by the perceived value of prestige, academic rigor, and exclusivity—factors that contribute to the belief that these institutions offer superior educational and professional outcomes (Clotfelter et al., 2008). Further compounding this dynamic is the classification of higher education institutions under the Higher Education Act of 1965 as Performance-Based Organizations (PBOs). This designation allows institutions demonstrating higher levels of performance to receive increased federal funding and greater administrative flexibility in managing financial aid programs (Higher Education Act of 1965, 2024). As a result, colleges and universities are incentivized to compete—whether on a global, national, or regional scale—for rankings, reputation, and recognition. This competition often fuels higher tuition rates as institutions seek additional resources to invest in infrastructure, faculty, research facilities, and amenities, many of which extend beyond core instructional services.

### ***The Shifting Financial Burden from Families to Students***

As the cost of higher education has continued to rise, the financial burden on families has grown significantly, making it increasingly difficult for parents to fund their children's college education. For example, in 1958, tuition at Northwestern University accounted for just 15.6% of a median family's income. By 2003, that figure had surged to a minimum of 53.3%, reflecting a dramatic shift in affordability (Vedder, 2004). This sharp increase far outpaced the rate of wage growth, contributing to the widespread reliance on student loans as a means of financing higher education.

Several factors have driven the escalation of tuition costs. A primary issue is the lack of market discipline; as institutions experienced increased profits, incentives for administrative and academic staff became more closely tied to financial performance. This dynamic, combined with the need to balance competitive pricing against operational expenses and staff compensation, intensified pressure to raise tuition fees. Moreover, the growing privatization of colleges and universities allowed institutions greater autonomy in setting degree prices, often with limited regulatory oversight. Cultural expectations also contribute significantly, as young people are increasingly encouraged to view college degrees as essential for financial stability and social mobility. This widespread emphasis has led to an oversupply of degree holders in the labor market, reducing the relative value of a college degree and complicating the return-on-investment calculation for students and families.

### ***Alternative Strategies for Managing College Costs: Scholarships, Military Benefits, and Gap Years***

Scholarships are often promoted as a solution to the rising cost of tuition, yet their distribution is frequently inequitable and disproportionately tied to physical performance in athletics. On average, only 11% of college students receive scholarships. For students attending two-year community colleges, the average annual scholarship award is approximately \$4,100, while for those enrolled in four-year institutions, the average is \$15,750 (Hanson, 2024). While helpful, these amounts typically cover only about 58% of annual educational expenses. A significant portion of scholarship funds is allocated to athletic programs, particularly in sports such as football, basketball, and ice hockey (Hanson, 2024), leaving many academically qualified students without sufficient support. In addition to scholarships, some students seek financial assistance through military service. The Post-9/11 GI Bill provides substantial educational benefits to veterans, active-duty service members, and eligible dependents. This program offers tuition assistance for both public and private institutions, along with funding for books, supplies, and housing based on regional cost-of-living metrics (Dortch,

2012). For many, this benefit significantly reduces or eliminates the financial burden of higher education.

Another growing strategy among prospective college students is the use of a “gap year.” This practice involves taking a year off between high school and college to develop personal skills, explore career interests, and prepare emotionally and mentally for academic life. Students who take a gap year frequently report improved social skills, heightened academic motivation, greater maturity, and more clearly defined career goals (O’Shea, 2013). Research also indicates that gap year students experience lower levels of anxiety, depression, and fear during the transition to college compared to their peers who enter college immediately after high school (Nickerson et al., 2011).

### *Empirical Questions*

The combined financial and social pressures experienced by students currently enrolled in or having completed higher education prompt critical inquiries regarding the overall value of a college degree. In light of these concerns, this study seeks to assess the perceived worth of higher education from the vantage point of students, with a focus on how these perceptions vary according to the specific time period of their attendance.

Building on the findings presented, several pivotal questions warrant further investigation:

1. To what extent does the financial burden of higher education justify the traditional promise that a college degree ensures a better future?
2. Is obtaining a higher education credential a necessary condition for achieving professional and economic success?
3. How do students and graduates perceive the value of higher education relative to the financial risks incurred?
4. Is a four-year bachelor’s degree sufficient to secure long-term success in today’s labor market?
5. What proportion of students rely on financial assistance to pursue and complete higher education?

These questions emphasize the perceived effects of rising tuition costs and related financial burdens on college students, underscoring the necessity for further empirical research to clarify their broader implications, including the psychological and academic ramifications of financial stress.

### *Data Analysis*

#### *Participants/Demographic*

The study sample consisted of current higher education students and their family members spanning a range of ages. Participants were invited via email to complete

a consent form and a structured questionnaire. Of the 30 individuals contacted, the study achieved a response rate of 73%.

## Methodology

### *Data Collection/Procedures*

This study employed a  $2 \times 2 \times 2$  factorial design to examine the relationship between time frame of college attendance and financial need. The independent variable was the time period during which participants applied to or attended higher education institutions, categorized by decade from 1980 to 2025. The dependent variables included perceived financial affordability, perceived standards required for success, the sufficiency of a four-year bachelor's degree, and the perceived necessity of higher education for achieving professional success. The procedure for this study was carefully developed to ensure the systematic collection of reliable and comprehensive data regarding evolving perceptions of the value of higher education. The participant sample included a diverse cross-section of current college students and their family members, representing a range of age groups, educational experiences, and socioeconomic backgrounds. Participants were recruited via email and received a structured research packet containing an informed consent form and a custom-designed questionnaire titled *The Value of Higher Education Over Time*.

A total of 30 individuals were invited to participate, yielding a response rate of 73%, which is considered strong for a small-scale, survey-based study. The questionnaire was designed to assess both cultural and financial perspectives on higher education across different generational cohorts. Key areas of inquiry included the perceived necessity of a college degree for achieving success, the financial risk associated with pursuing higher education, and the sufficiency of a bachelor's degree in meeting career and personal objectives. Respondents were also asked to report the approximate year they applied to higher education, the accessibility of the application process, and the extent to which financial stress influenced their decisions.

Ethical considerations were prioritized throughout the data collection process. All participants were assured of the confidentiality and anonymity of their responses, which were analyzed in aggregate form to protect individual identities. Participation was voluntary, and individuals retained the right to withdraw from the study at any stage without penalty. The research materials consisted of a consent form and a structured questionnaire that included Likert-scale items, categorical response options, and open-ended prompts to elicit both quantitative and qualitative data. This mixed-methods approach enabled a multidimensional understanding of attitudes toward higher education affordability and value over time. The data collected through this procedure aimed to capture not only measurable trends but also deeper cultural and economic insights. The findings are

intended to inform institutional leaders, educators, and policymakers in the development of responsive strategies that address both the financial and structural challenges of contemporary higher education.

1980-1989	1990-1999	2000-2009	2010-2019	2020-2025
Affordability Level	Affordability Level	Affordability Level	Affordability Level	Affordability Level
Standard to Succeed	Standard to Succeed	Standard to Succeed	Standard to Succeed	Standard to Succeed
Necessity	Necessity	Necessity	Necessity	Necessity

## Results

### *Perceived Value of a Bachelor's Degree and the Rising Dependence on Student Loans*

The findings of this study indicate that 86.4% of participants believe the cultural standard of obtaining a four-year bachelor's degree remains worthwhile. However, this perception may shift over time, as basic economic theory suggests that when consumers no longer perceive a service as valuable relative to its cost, demand—and consequently price—may decline. Notably, 96.4% of respondents reported agreement or neutrality regarding the belief that pursuing a bachelor's degree is worth the financial risk, suggesting that the prevailing narrative linking higher education to long-term financial stability continues to hold influence. Additionally, the study found that although access to financial assistance has increased since the year 2000, the number of individuals relying on student loans has also risen, indicating a growing dependence on debt to finance higher education.

**What year were you applying to higher education?**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1980-1989	3	13.6	13.6	13.6
	1990-1999	2	9.1	9.1	22.7
	2000-2009	7	31.8	31.8	54.5
	2010-2019	4	18.2	18.2	72.7
	2020-2025	6	27.3	27.3	100.0
	Total	22	100.0	100.0	

Figure 1. What Year Were You Applying to Higher Education?

Note: This chart depicts the distribution of respondents (N = 30) according to the time period in which they first applied to a higher education institution, as reported in this study.

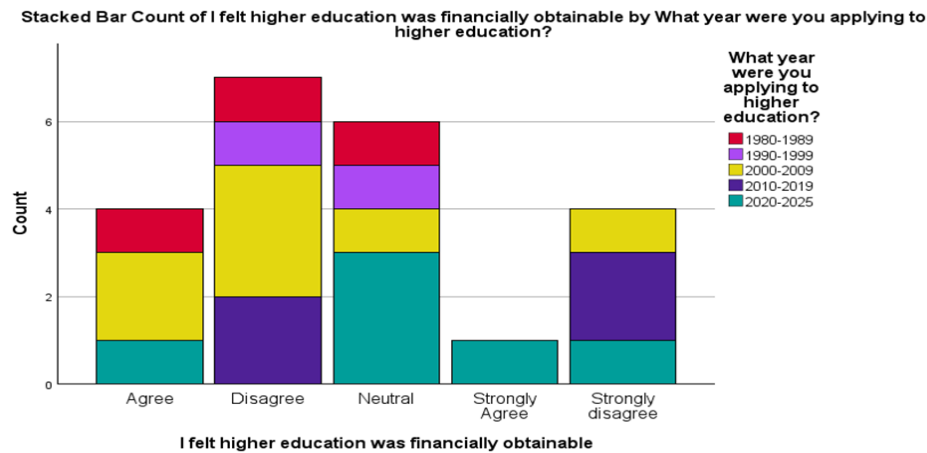


Figure 2. Year of Applying vs. Financial Obtainability

Note: This graph compares respondents' initial higher education application timeframes with their perceptions of the financial accessibility of earning a bachelor's degree during those respective periods (N = 30).

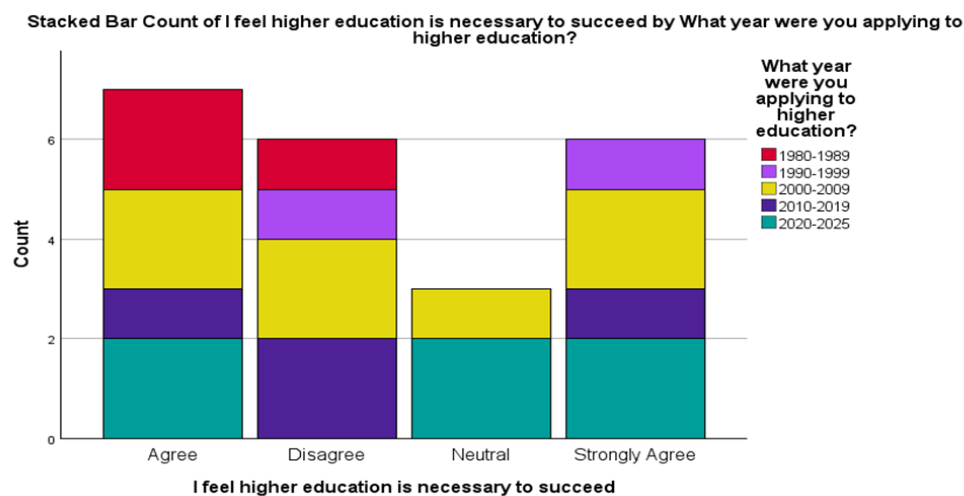


Figure 3. Year of Applying vs. Necessity to Succeed

Note: This graph illustrates respondents' perceptions of the importance of higher education for achieving success after graduation, categorized by their respective timeframes of initial application (N = 30).

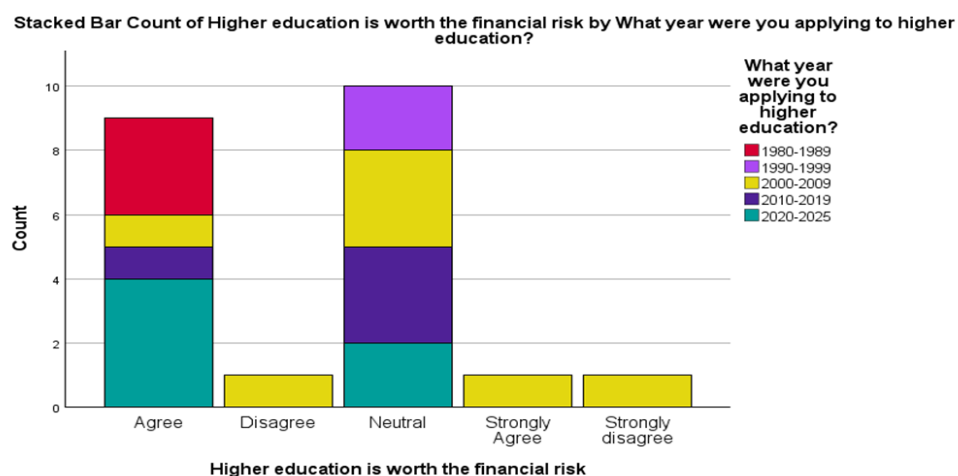


Figure 4. Year of Applying vs. Financial Risk

Note: This graph demonstrates an increasing skepticism about the financial value of higher education among respondents who applied starting in the year 2000, reflecting a shift in perceptions concerning whether the costs of obtaining a college degree are justified by its anticipated benefits (N = 30).



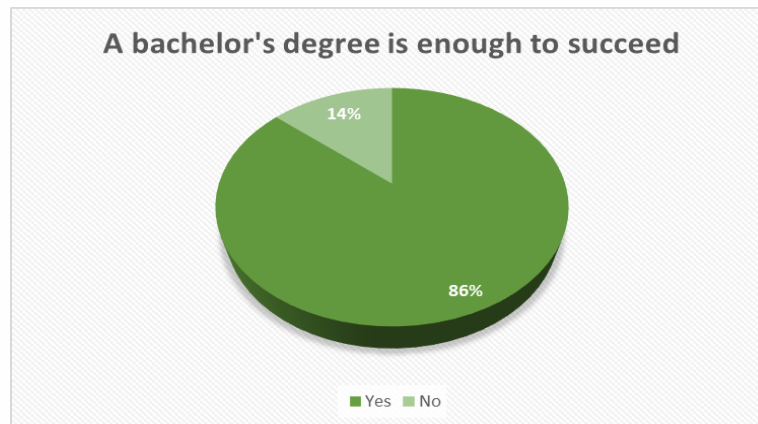


Figure 5. A Bachelor's Degree Is Enough to Succeed

Note: This graph illustrates the proportion of respondents who maintain the belief that obtaining a bachelor's degree remains sufficient for success, despite the varying levels of financial assistance required (N = 30).

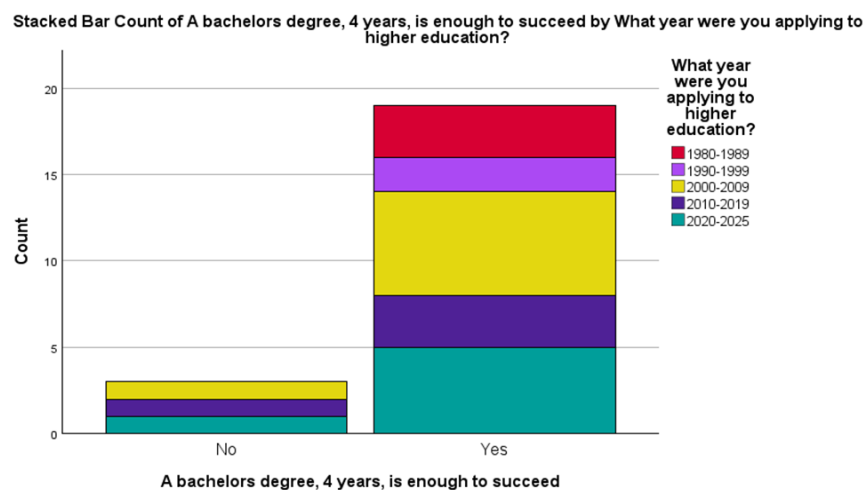


Figure 6. Year of Applying vs. Is a Bachelor's Degree Enough to Succeed

Note: This graph indicates emerging doubts beginning around the year 2000 regarding whether a bachelor's degree alone is sufficient for achieving success (N = 30).

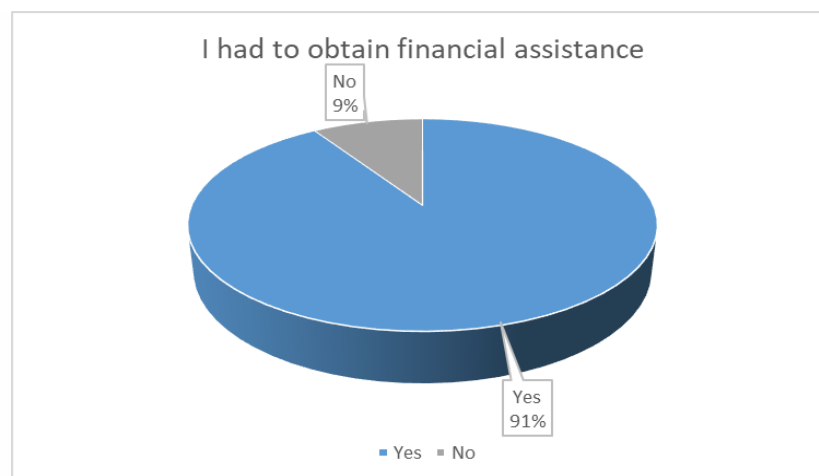


Figure 7. I Had to Obtain Financial Assistance

Note: This graph depicts the proportion of respondents who required financial support to fund their higher education, regardless of their application time frame (N=30).

## Discussion

The initial chart depicts the distribution of respondents according to their time frame of application to higher education. The graph titled *Year of Applying vs. Financially Obtainable* illustrates variations in perceived financial accessibility of higher education across different applicant cohorts. The majority of respondents reported that higher education was either unaffordable or they held a neutral stance regarding its cost. The *Year of Applying vs. Necessity* graph demonstrates that most participants continue to perceive higher education as essential for achieving success. In contrast, the *Year of Applying vs. Financial Risk* graph reveals an increasing perception that the financial risks associated with higher education may no longer be justified. The *A Bachelor's Degree Is Enough to Succeed* graph indicates that many respondents still regard a bachelor's degree as the minimum credential necessary for success, irrespective of the financial aid required. However, the *Is a Bachelor's Degree Enough to Succeed* graph suggests a gradual decline in this belief, with higher education increasingly viewed as an outdated benchmark. Lastly, the *I Had to Obtain Financial Assistance* graph underscores a significant financial need among respondents, with 91% reporting reliance on financial support.

Beginning in the early 2000s, there emerged a notable shift in respondents' perceptions regarding the value proposition of higher education, primarily influenced by heightened awareness of escalating tuition costs. A complicating factor in interpreting these perceptions is the implementation of the Post-9/11 GI Bill, which provided substantial educational benefits to military personnel who enlisted following the September 11, 2001 attacks. This cohort's ability to leverage GI Bill benefits significantly reduced their direct financial obligations for higher education, potentially enhancing the perceived return on investment and overall value of obtaining a degree within this subgroup.

Overall, the analysis indicates a diminishing perceived value of higher education among more recent cohorts. While the importance of obtaining a degree continues to be widely recognized, there has been a simultaneous rise in the demand for financial assistance, highlighting an increasing reliance on aid to secure what was traditionally considered the minimum credential for professional success. This trend reflects a reassessment of the worth of higher education amid rising costs and ambiguous returns on investment. It is further suggested that, within the evolving higher education landscape, ultimate accountability for graduate outcomes increasingly shifts to employers responsible for providing meaningful post-graduation opportunities.

This study advances the understanding of the increasing skepticism surrounding the value of higher education, particularly in light of the growing prominence of entrepreneurial ventures as alternative pathways to financial success—often yielding returns that exceed those traditionally associated with

college degrees. These findings are corroborated by existing research, especially when examined in the context of median family incomes and widespread perceptions of affordability. Furthermore, the Post-9/11 GI Bill accentuates this dynamic, as non-military respondents report a higher reliance on financial aid. Collectively, the data reveal a cultural paradox wherein degree holders frequently encounter challenges in obtaining employment that offers commensurate compensation, thereby calling into question the conventional assumption that pursuing higher education constitutes a prudent financial investment.

### **Conclusion and Future Scope**

This study provides a critical analysis of the escalating tuition costs and the considerable financial burdens experienced by higher education students over recent decades. The findings illuminate a core tension between the entrenched cultural belief that a bachelor's degree is vital for socioeconomic mobility and a mounting skepticism regarding its financial return and overall value. Despite the expansion of financial aid programs, including the Post-9/11 GI Bill, increased dependence on student loans and disproportionate financial pressures relative to family income underscore enduring challenges in affordability and equitable access. With tuition rising at a rate that outpaces wage growth, many students face sustained economic hardship, prompting critical concerns about the long-term viability and equity of existing higher education financing structures.

Future research should explore comprehensive, multidimensional strategies to reduce financial barriers in higher education, focusing on institutional reforms, innovative policy development, and enhanced socioeconomic support mechanisms. The investigators recommend future studies that investigate the long-term effects of financial stress on student retention, academic performance, and post-graduation economic outcomes across diverse demographic groups, as such research would offer critical insights into the broader implications of financial burden in higher education. Comparative analyses of international higher education financing models could identify best practices for balancing cost containment, accessibility, and educational quality. Furthermore, assessing the efficacy of emerging financial aid programs, scholarship distribution methods, and alternative educational pathways—such as vocational training and entrepreneurship—can inform the creation of more inclusive and adaptable frameworks. Importantly, future research must prioritize the lived experiences and perspectives of students to guide the development of sustainable solutions that ensure higher education remains both accessible and valuable in the face of evolving economic challenges.

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