



Thursday, December 2, 2004

## Study shows real cost of tuition has decreased

The **Presidents Council, State Universities of Michigan** issued a report that shows the real cost of college tuition for the average Michigan public university student has decreased from 1998 through the last school year, 2003-04. The decrease is attributed to more scholarships, grants and tuition tax credits, which have more than outpaced tuition increases after inflation.

"Last fall's average tuition increases were kept well below the Midwest and national average for public universities, and this fall's increases were kept to the rate of inflation, around a modest 2.5 percent," said Gary Russi, president of Oakland University and chair of the Presidents Council, State Universities of Michigan. "Job one is maintaining high quality and the state's public universities are managing to do that, despite these tough financial times."

The average student today pays only 45 percent of the "sticker price" of tuition and mandatory fees at a Michigan public university. That sticker price was \$5,570 for the 2002-03 school year, with the net tuition price only \$2,495. The net tuition cost, adjusted for inflation, in the 1997-98 school year was \$2,853, meaning the real average cost of tuition that year was \$358 less than in 1997-98. The figures do not include any loans obtained by students.

"This study shows financial aid from all sources is a significant factor in reducing the cost and increasing the affordability of a college education in Michigan," said Mike Boulus, executive director of the Presidents Council. "Institutional aid is a significant but overlooked component of the total cost of higher education. Political involvement, in the form of tuition caps, makes it harder for universities to provide university resources to students, which may result in higher net tuition costs for many students."

The Presidents Council report on the real cost of attending college in Michigan was patterned after a study done for USA Today. Hank Prince, a former Michigan Fiscal Agency associate director and recognized expert on higher education finance in Michigan, was contracted to analyze the extensive data available from Michigan colleges to develop the figures.

For more information on the study, visit the **Presidents Council, State Universities of Michigan** Web site and follow the links to the report.

The Presidents Council of State Universities of Michigan, based in Lansing, is a nonprofit higher education association serving Michigan's 15 state universities. The primary mission of the Presidents Council is to advocate higher education as a public good and to promote its collective value in serving the public interest and the State of Michigan.

### SUMMARY

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