How Much Is Tuition? At the U. of Illinois, Like Many Research Universities, It’s Complicated

By Eric Kelderman | JULY 03, 2018

Ask nine students at the University of Illinois at Urbana-Champaign what attending their college costs, and you might get just as many different answers.

The university charges a "base" tuition of $12,036 per year. But a student majoring in advertising pays about $800 more. Students in the College of Fine and Applied Arts are each charged $1,600 more than the base price. Enrolled in the College of Business? That adds a whopping $5,000 to the bill.

Those are just three of nine majors at the university that add to the price of tuition to increase revenue and to pay for the added costs of particular courses. The university also adds charges for students in agriculture or environmental sciences, life sciences, engineering, and journalism.
There's another point to the differential pricing, which began on the flagship campus in 1999. Students can more easily estimate the cost of their programs because the pricing policy eliminates the need for individual course or lab fees, says Kevin Pitts, vice provost for undergraduate education.

Illinois is far from alone: About 52 percent of the nation's public research universities apply different tuition charges for students based on their academic fields, according to a 2016 study by Glen R. Nelson, a professor of practice at Arizona State University and co-founder of the Affordability and Transparency Initiative at New York University.
Nelson and his co-authors — Gregory C. Wolniak, a clinical associate professor of higher education at NYU, and Casey E. George, an assistant professor of higher education at the University of Louisville — found that the share had increased from just 5 percent of those institutions in 1991.

The pricing policies have kept some expensive programs in the black. But they may come with a downside. Some analysts say the higher prices often associated with more-lucrative majors, such as engineering or business, are keeping some low-income and minority students from entering the fields.

Colleges aren’t using differential tuition to stratify students, Nelson says, but it’s having that effect. "I would couch this as an unintended consequence of a solution to a larger financial problem," he says.

**Price Premiums**

Higher education has long relied on a complex system of cross-subsidies: Bigger course sections for freshmen help to pay for the smaller class sizes of upper-level courses. Low-cost courses that require only books and chalkboards help to pay for expensive majors that demand laboratories and powerful computers.

New charges for particular majors have grown as state spending on public education has lagged behind enrollment increases, leaving colleges to look for new sources of money. But it’s not usually the most cash-strapped colleges that are able to charge more for tuition, nor is it always the most expensive programs that can post premium prices.

Nelson and his co-authors found that larger, land-grant universities, which are able to attract nonresident students, are more likely to use differential tuition. That suggests those institutions are leveraging their market strength to charge students more for competitive programs, Nelson and his colleagues write in a chapter of a book, *Under Pressure? Higher Education Institutions Coping With Multiple Challenges*, scheduled for release this fall by Brill Publishers.

Research on differential tuition at public universities in Texas had similar findings, including that majors that lead to high-paying jobs are also higher priced. "Price increases were particularly large for institutions with the highest initial costs and for programs with a
high earnings premium," wrote Jeongeun Kim, an assistant professor of educational design and innovation at Arizona State, and Kevin M. Stange, an associate professor of public policy at the University of Michigan at Ann Arbor. Their study was published in 2016 in *The Russell Sage Foundation Journal of the Social Sciences*.

But scholars are also considering the social cost of the policies. "The policy question becomes: Is there a disparate impact on some students?" says Nelson.

One potential problem is transparency: Do students even know what they’re paying for? Differential-tuition policies "add complexity to understanding college costs," Nelson and his colleagues wrote, and "may mask from the public the real cost of attendance."

A larger effect is that higher prices may discourage minority and low-income students from enrolling in programs that might eventually promise greater salaries, even if the university gives out more aid to students in those majors.

"Students from traditionally underrepresented backgrounds are more sensitive to increases in college costs," wrote Nelson and his co-authors, "and less responsive to financial aid, such that tuition increases have a more negative influence on their college enrollment and attendance decisions."

Pitts, the vice provost at Illinois, says that extra charges for programs are clearly included in each student’s bill. "Between this and the information on our web page, there is no doubt that students have access to information about different rates associated with different degree programs," he said in an email.

It would be difficult for the university to generate the same amount of revenue if it eliminated differential rates, he said. The added fees account for 5 percent to 29 percent of tuition charged to students in those programs.

But he acknowledges that the institution’s pricing model may cause some students difficulty, especially students who want to transfer from a major with no differential fee to one with a higher price.
It can be "maddening," he says, "if a student comes into one program, and they're making a plan, and then transfer to a different program they probably aren’t aware there’s a different rate."

_Eric Kelderman writes about money and accountability in higher education, including such areas as state policy, accreditation, and legal affairs. You can find him on Twitter @etkeld, or email him at eric.kelderman@chronicle.com._

_Correction (7/5/2018, 10:50 a.m.):_ This article originally included an incorrect last name for a faculty member at the University of Louisville. She is Casey E. George, not Casey E. George-Jackson. The text has been corrected.

Copyright © 2018 The Chronicle of Higher Education