

February 5, 2018

Senator Lamar Alexander  
Chairman  
Committee on Health, Education,  
Labor and Pensions  
United States Senate  
428 Dirksen Senate Office Building  
Washington, DC 20510

Senator Patty Murray  
Ranking Member  
Committee on Health, Education,  
Labor and Pensions  
United States Senate  
428 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

As your Committee continues its hearings into reauthorizing the Higher Education Act to explore the topic of college affordability, we would like to address claims that federal student aid is responsible for tuition increases. Over many years, some individuals have asserted that there is a causal link between college tuition and federal student financial aid. This claim is at least as long-standing as any proof of the connection is elusive. This concept has been rigorously explored and the full body of available research data does not support this theory.

A number of methodologically sophisticated studies have concluded that there is no relationship between federal student aid and tuition. In 2014 the Congressional Research Service (CRS), in response to numerous requests from members of Congress, examined the possible relationship between student aid and college prices and found no consensus or consistent set of findings across multiple studies on any causal relationship between student aid and tuition and fees.

Several years earlier, in response to a congressional mandate, the U.S. Department of Education also examined the relationship between tuition prices and various general and targeted subsidies, including financial aid. Indeed, the department identified a single tuition price driver: reductions in direct state support for public four-year colleges and universities. That is, when state support for higher education goes down, public sector tuition increases.

A significant number of economists—including Don Heller, David Feldman, and Robert Archibald, among many others—have also evaluated this theory and concluded that there is no relationship between federal aid and college prices.

In any form of rigorous research, proving causation requires that the evidence demonstrates a clear and unambiguous relationship. Absent such results, it is simply wrong to contend that such a causal relationship exists or to state in any way that the research is conclusive.

Colleges and universities are extraordinarily complex organizations that rely on many revenue sources to advance their missions of instruction, research, and community service. Numerous authors and researchers have examined the relationship between college tuition and federal student aid programs,

## Relationship Between Aid and Tuition

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and as yet there is no consensus on the existence of any generalizable or causal link between the two. To claim otherwise is to misrepresent the state of the extensive existing research on this question.

We hope to continue collaborating with you as the Committee on Health, Education, Labor and Pensions works to update and reauthorize the Higher Education Act, and that an increased federal commitment to student financial aid will be seriously considered.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is written in a cursive, slightly stylized font.

Ted Mitchell  
President