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The Effects of Consumerism on Access to Higher Education

Cornell F. Woodson

The consistent rise in tuition continues to prevent underprivileged groups from accessing higher education. Institutional leaders are charged with finding creative ways to cut costs while still maintaining a high quality academic experience. This article presents the argument that consumerism is an unaddressed cause of the high price tag needed to operate America's institutions and offers a definition of consumerism as it relates to the higher education industry. Statistical data is presented to illustrate the domino effect that happens as a result of the various methods in which institutions cater to the materialistic ways of today's consumers.

The American higher education system is under an immense amount of pressure to gain control of the rising cost of tuition, which limits the number of people who can access higher education. While leaders should begin thinking outside of the box when they create their annual operating budgets, there is another component to the rising cost that must be addressed. Consumers have come to expect nothing but the best for the money they spend. Like other consumer decisions, they base their college choice on a very high standard. As institutions work to meet the growing expectations of the consumers they are looking to attract, the cost of tuition will continue to rise. Those who cannot afford the high price tag of tuition will be forced out of the opportunity to earn a degree. Institutions of higher education must learn to influence consumers perceived needs just as other industries have done.

Consumerism Defined

Consumer spending is responsible for more than two-thirds of the domestic demand in the United States (McCully, 2011). According to Novotney (2008), the rate at which Americans save decreased from 11% to below zero since 1982. This phenomenon did not happen without cause. Advertisers spend millions of dollars to create marketing campaigns to influence consumers to spend more

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money (Novotney, 2008). While watching a television show, one might notice the ever so slight placement of products in the background. When sitting in silence, reflecting on the day, the last catchy jingle plays in one's head. Even some religious entities have begun adopting logos and marketing plans to draw people into their places of worship (Miles, 1998). Society obsesses over creating new ways to draw people in and influence consumer behavior.

According to Miles (1998), most people attempt to define consumerism by immediately and solely connecting the phenomenon with the consumption of goods and products. However, consumerism is much more than the act of purchasing things. Consumerism is also the promotion of consumer need, which is usually done by companies that convince people they need a new product (Miles, 1998; Merriam-Webster Dictionary, 2013). Today, need does not just include the basic necessities of food, water, safety, and love, as indicated by Maslow's (1943) hierarchy of needs. Need has now come to include more extravagant items, such as electronics, fancy cars, and big houses. As a result, I adopt the definition of consumerism as a sociological interest driven by a common psychological perception that we need materialistic items to gain status.

Miles (1998) argued that "consumerism should not and cannot be morally condemned, but must rather be considered in a systematic fashion as an arena within which social lives are currently constructed" (p. 4). However, when the systematic fashion in which people construct their social lives can only be accessed by a small minority and hinders the ability of lower-class people to participate fully in society, it is an issue. This new manner in which people find meaning in their lives is a form of oppression. Institutions of higher education play into the game of supply and demand, which requires them to stay abreast of what consumers want. Consumers in education are no different from the consumers who shop feverishly during Black Friday. If an institution does not supply what they want, then they will go somewhere else. Meanwhile, tuition rises every year and many lower-class students often cannot access higher education because only the needs of upper-class families are being met.

Consumers in Higher Education

Each year many families take their college-bound students to visit campuses across the country looking for the perfect place to spend their college years. Students and their families bring a list of non-negotiable items that they are looking for on a campus. As a result, institutions funnel millions of dollars into various initiatives to entice competitive students into choosing them. They spend large sums of money to finance the payments for multimillion-dollar buildings to stay competitive and work relentlessly to ensure they have what students want (Potter, 2011). So, how do students choose the right school for them?

Mooney (2007) says that students choose a school based on various components. One component is the student's chosen program's ranking and their reputation based on the various tools they use to research schools. Many turn to the U.S. News and World Report, family members, friends, and alumni. Word of mouth is also a highly ranked method for choosing a college (Mooney, 2007). Other factors that sometimes affect how students choose a school includes: class sizes, relationship with professors, and a college's online presence using Twitter, Facebook, and mobile applications (Mooney, 2007). This generation of college-bound students is extremely internet-savvy with their iPads, iPhones, and other pieces of technology.

The Internet has become the main source for potential students to obtain information (Carnevale, 2005). Various admission offices have created elaborate websites with incredible interactive features like virtual tours of their residential halls and student center. To cater to students' need for instant access, some institutions have created personalized web pages for each applicant. For example, Minnesota State University, Mankato created a portal that allows applicants to sign into their personal page to determine what forms they have or have not submitted (MSU, Mankato, n.d.). The personalized page also includes links to student clubs' and departments' webpages, as well as articles that may interest the student based on information they shared on their application. Other factors used to choose a school include involvement opportunities, financial aid packages, and the distance from home (Carnevale, 2005; Mooney, 2007). However, students cite the maintenance and existence of buildings related to their chosen major as most influential to their decision (Reynolds, 2005).

The Effects of Campus Buildings on Consumer Choice

According to Reynolds (2005) and the Association of Higher Education Facility Officers, 73.6% of students rated facilities related to their major as extremely important or very important when choosing a college. Other academic buildings such as libraries, technology, and classrooms came next. Of the students who participated in the study, Reynolds (2005) found that 42.2% rated residential halls as a key factor in their decision making process. During visits to campus, 56.8% of students listed buildings housing their major as an important part of what they wanted to see on their tour. Residential halls came in at 53.1%, the library at 48.4%, classrooms at 46%, and technology buildings at 40% (Reynolds, 2005).

Of those respondents, when asked specifically about the maintenance and existence of those facilities, 29.3% indicated they had rejected an institution because it lacked a facility they felt was important (Reynolds, 2005). 26.1% rejected an institution because an important facility was inadequate, and 16.6% rejected an institution because an important facility was poorly maintained (Reynolds, 2005).

Consistent planning for new construction, constant maintenance, and replacement of facilities is imperative and should be an essential component of an institution's strategic plan (Williams, 2006). Poorly maintained facilities can be detrimental to an institution's image and would not make it a viable option, but maintaining and constructing facilities is also costly (Supiano, 2008).

To remain competitive, most institutions are trying to supply everything that students and parents look for when shopping around for the right campus. Therefore, they are constructing expensive facilities that look more like four-star hotels and purchasing top of the line technology to draw students to their campus (Potter, 2011). However, as generations become more sophisticated in their technology use and taste, colleges will continue chasing consumers' desires in order to keep them satisfied. When institutions focus on providing what consumers want, their operational budgets soar. When their operational budgets soar, the cost of the product increases.

The Rise in Tuition

Higher education is a \$420 billion industry and the rise in tuition at both public and private institutions has more than doubled over the past decade (Hacker & Dreifus, 2010). The increase in tuition is usually said to be caused by the growing cost of faculty and staff salaries, their healthcare benefits, energy needs due to new buildings on campus, and the financing of multimillion-dollar facilities (Supiano, 2008). Institutions consistently face the reality of working with less and the pressure to maintain the high quality collegiate experience college-bound students and their parents have come to expect from America's institutions of higher education. However, most students and their parents do not understand that the more they expect institutions to provide, the heftier the price tag will become.

In the higher education industry, the amount of tuition paid to send students to college is known as net tuition, while gross tuition is the actual cost the school needs to educate each student. When visiting a college or university's website, net tuition is what visitors will find. According to the College Board (1999, 2008), from 1998-2008 public institutions saw a net tuition increase of 32%, but the gross tuition increase grew 50%. Tuition at public institutions rose 10% during the 2003-2004 academic year alone. Private institutions saw a net tuition increase of 22% and a gross of 27% during the same time. Even with the consistent rise in tuition, what consumers actually pay is not enough to cover what it takes to operate the institution for a full academic year.

In order to educate parents and students of this fact, several colleges and universities around the country have implemented a program called "Tuition Runs Out Day" (Redden, 2007). At many colleges and universities, tuition only covers two-

thirds of what it costs to educate a student for the full academic year (Supiano, 2012). Advancement offices work tirelessly to engage alumni to help fill this gap. Therefore, if it were not for alumni giving each year to annual funds and endowments, many colleges and universities would not be able to operate. Nonetheless, Hacker and Dreifus (2010) note that students still graduate with six figures' worth of debt and are hindered by staggering loans. While many middle- and upper-class students and their families are forced to make sacrifices and go into debt to pay for school, most lower-class students never earn a degree.

Access for Marginalized Groups

Bowen, Chingos, and McPherson (2009) noted that the rate at which students from lower-class families attempt to obtain a degree of higher education is directly influenced by the cost of tuition at a higher rate than students from upper-class families. Furthermore, students from middle- and upper- class families are five times more likely to earn a bachelor's degree than students from lower-class families (Bowen, et al., 2009). This is largely due to lower-class students' lack of access to money to fund their degree.

A typical financial aid package includes a variety of contributions from federal and state government, institutional funds, parents, and students themselves (Bowen et al., 2009). A student's background, their parents' financial resources, and the student's academic promise play a large factor in the kind and amount of student aid included in a financial package. According to Bowen et al. (2009), lower-class students receive significantly more grants than upper-class students because federal student aid grants such as the Pell Grant are focused on lower-class students. However, state and federal government drastically cut back their support of higher education due to the economic downturn of 2008, which means grants have become much smaller. When grants and scholarships do not cover the full cost of what a student must pay, loans are used to fill the gap.

Federal loan programs have placed a cap on the amount people can borrow, which is about \$5,550 according to the U.S. Department of Education (2012). Despite their vast need, lower-class students can only borrow up to this maximum amount. Many students are relying more on parental contributions to meet the cost of tuition (Bowen et al., 2009). This is because parents, given credit approval, can borrow any amount they want, such as the entire cost of tuition. While many upper-class students can often turn to their parents for help, most lower-class students do not have that option. Most often lower-class parents have less than perfect credit and cannot help by taking out loans for their student (Birkenmaier, Curley, & Kelly, 2011). Many students can turn to the private loan sector, but only if they have good credit or a co-signer (Bowen et al., 2009).

Bowen et al. (2009) noted that the net cost of attending school and a family's resources significantly affect the chances that a student will be able to complete their degree. Therefore, even if lower-class students do find the funds to begin taking classes toward their degree, the cost of tuition goes up each year. If a student's aid does not also increase, they may not be able to continue their studies.

Conclusion

If institutions truly want to diversify their campuses and open the doors to higher education for more people, then the leaders in this industry should consider clearly laying out what consumers should expect them to provide. Institutional leaders should take a stand and create a different standard of consumer choice within the higher education sector. Consumers need to remember the original purpose of our higher education system, to provide quality teaching, opportunities for scholarship, and a supportive academic environment (Carey, 2009). Furthermore, the purpose was to provide a campus culture that allowed students to develop through various forms of involvement in and out of the classroom (Carey, 2009). All of these things can be provided without lavish buildings.

Finally, colleges are not doing enough to provide consumers with the right information in order to make decisions based on the important characteristics of an institution (Carey, 2009). Important data is often buried on the website, e.g., student to faculty ratios, graduation rates, the percent of graduates who find jobs after college, faculty credentials, and information on the diversity of the community. These are the characteristics that institutions should be encouraging consumers to use to pick a school, so this information should be at the forefront instead. Continuing to construct expensive buildings that drive up the operational budget in order to attract students to their campus further creates roadblocks for lower-class students. In order to provide better access to post-secondary education for these students, it will be important for student affairs professionals and higher education administrators to return to the original mission of educating students. Institutions cannot be everything to everyone.

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