In a Letter to the Editor published in the June/July 2016 issue of *The Metropolitan* (“Student Loan Debt is a Result of a Flawed Funding System”), Ed Day reiterates a common refrain about why tuition increases at public, non-profit colleges—as well as for-profit, private colleges—continue to outpace inflation.

            The conventional wisdom from school administrators—and Day—is that once upon a time, people paid for college with the money they earned from their summer jobs. Then, over the course of the next few decades, public funding for higher education was slashed.  These draconian cuts forced universities to raise tuition year after year, which has forced millennials and even non-traditional students to take on crushing student loan debt.  Then, we all lived at home with our parents unhappily ever after.

            If Day is talking about total state appropriations per student, then, yes, they are somewhat lower than they were at their peak in 1990, according to an April 4, 2015 *New York Times* op-ed by Paul F. Campos, a University of Colorado-Boulder law professor (“The Real Reason College Costs So Much,” available at <http://www.nytimes.com/2015/04/05/opinion/sunday/the-real-reason-college-tuition-costs-so-much.html?_r=0>).  That said, Campos notes that appropriations per student are still *much* higher now than they were in the 1960s and 1970s.  “State appropriations reached a record inflation-adjusted high of $86.6 billion in 2009.  They declined as a consequence of the Great Recession, but have since risen to $81 billion. But, these totals do not include the enormous expansion of the federal Pell Grant program, which has grown, in [2015] dollars, to $34.3 billion per year from $10.3 billion in 2000.”

            There can be little doubt there has been an astonishing rise in college tuition that correlates closely with a huge increase in public subsidies for higher education.  Interestingly, increased spending has not been going into the pockets of the typical professor and in fact, more colleges and universities are relying on non-tenure track part-time employees. Campos notes that “in 1970, 78 percent of college and university professors were full-time. Today, however, half of postsecondary faculty members are lower-paid part-time employees.” What did increase, however, was the number of administrative positions at colleges and universities. Minnesota’s flagship institution, the University of Minnesota is no exception.

There are greater numbers of Americans going to college. According to Campos, “Enrollment in undergraduate, graduate and professional programs has increased by almost 50 percent since 1995.”  Colleges and universities will continue to churn out graduates as long as students—and employers, for that matter—are steadfast in their belief that the only ticket to success post-high school is a college degree.  So where did increased demand for postsecondary education come from?  And do not college students suppose that this demand would have skyrocketed further had Bernie Sanders' plans for “free college for all” become a reality?

I’m not at all opposed to people going to college to earn a degree and pursue a worthwhile and meaningful career.  But the model needs to change.  For all its intents and purposes, making college more accessible hasn’t made it more affordable.  Economics 101 tells us that if you artificially inflate demand for something and don’t let supply adjust, prices will go up.  As a result, colleges will charge as much as someone is able to pay.  A college is a typical high fixed cost, low marginal cost business: building a college is a very expensive proposition, but once you have a college, adding one student to a class costs very little.  If you dramatically increase consumers’ willingness to pay by giving them free money, they will pay more. At least until the bubble bursts; then we all pay more.