

Case #9: Differential Undergraduate Tuition

Many public institutions have seen stagnant or decreasing budgets, and so are now asking students to shoulder more of the financial burden through increased tuitions. Sometimes, the amount they are being asked to pay depends on their majors. At some institutions, students in engineering and business pay more for their undergraduate degrees than students completing degrees in liberal arts or education.

The University of Wisconsin approved a tuition differential for students enrolled in the Bachelor of Business Administration program or earning a Certificate in Business beginning in fall 2007. The rationale offered for the increased tuition is that the costs of business education are rising faster than the university's resource base and that the demand for those programs has grown and that higher tuition would help sustain the quality and expand the size of the business programs.

Higher tuition for business or engineering schools can be justified based on the higher costs of educating students in those disciplines. Business school faculty often command higher salaries than those in other colleges due to lucrative opportunities outside academia. Engineering students require expensive laboratory space and equipment, which needs to be constantly maintained and updated. The differential tuition policy can also be defended on the basis of higher starting salaries for graduates in those majors.

It can also be argued that differential tuition forces qualified students from economically disadvantaged backgrounds to make career choices based on affordability, rather than aptitude or interest. This is contrary to the societal goal of providing equal access to higher education to every qualified member of the community. Moreover, students graduating from university programs that charge higher tuition may choose higher paying jobs in the private sector to pay off loans, rather than choosing service positions such as careers in public service.

Many schools including most of the Big Ten schools have a tuition differential at least for undergraduate business majors.