

# SESP Brown Bag Colloquium Series

Co-hosted by MPES, LS, and HDSP

Should community college be free? Supply and demand in the market for U.S. non-selective higher education

**David Deming**

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**Thursday, April 2**

**12:30-1:30 p.m.**

**Annenberg 303**



The rising price of college is seen as a major barrier to building the stock of college-educated labor. While most Federal and state policy efforts focus on reducing college costs, declining state funding of public institutions has also led to sharp cuts in per-student spending. When resources are scarce, how should public colleges balance tuition increases with spending cuts? In this paper we study changes in price and spending in U.S. higher education markets from 1990 to the present, using data from the Integrated Postsecondary Education Data System (IPEDS). We find that enrollment and completion in nonselective public institutions is much more responsive to increases in spending than to revenue-neutral reductions in price. We estimate that a 100 percent price reduction yields an enrollment gain that could be obtained at about 20 percent of the total cost of “free” college, if the funds were used instead to increase spending.

*David Deming is an associate professor at the Harvard Graduate School of Education and a faculty research fellow at the National Bureau of Economic Research. His research focuses broadly on the economics of education, with a particular interest in the impact of education policies on long-term outcomes other than test scores. He was recently named a William T. Grant Scholar for his proposed project, *The Long-Run Influence of School Accountability: Impacts, Mechanisms and Policy Implications*. In 2015, he won the Association for Education Finance and Policy (AEFP)’s inaugural Early Career Award. His current research interests include the rise of for-profit and online postsecondary education and the consequences for student outcomes, the impact of spending cuts and price increases on the market for nonselective higher education, and the influence of social skills and teamwork in the labor market.*



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