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## EDUCATION: Rising costs & vanishing aid. Can you spell “Squeeze?”

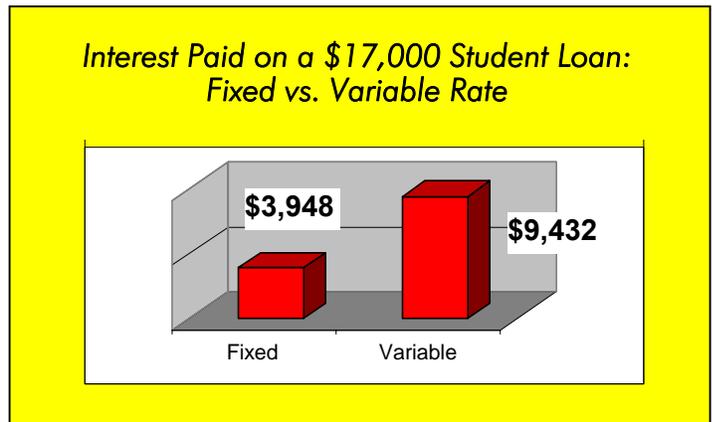
► **Summary:** Families are struggling to pay for the high-quality college education necessary to succeed in the 21st century. Between the weak national economy and shrinking state budgets, students and their families face rising college costs, while the federal programs to help them are being undermined.

This week, with the country’s best spellers in Washington for the National Spelling Bee Championship, and politicians and entertainers crisscrossing the country delivering commencement addresses, it’s a good time to take a look at how higher education costs are squeezing families’ budgets.

The cost of college is skyrocketing and families are paying the price. **The U.S. Dept. of Education tells us that tuition at four-year public colleges has increased by almost 30 percent since 2001.** And crunched state education budgets mean that an estimated 250,000 college-qualified students were shut out of higher education in the fall of 2003, due to rising tuition or cutbacks in admissions and course offerings.

As tuition rises, student loan debt continues to soar. Between 1997 and 2002, the typical undergraduate’s debt rose 66% to \$18,900, and more than a quarter of today’s 14 million undergraduate students will incur more than \$25,000 in debt to earn a degree. Yet Republicans in Congress have introduced legislation blocking student borrowers from locking in low fixed interest rates on their loans. **That would mean the typical student borrower would pay an additional \$5,500 for their college loans, according to the non-partisan Congressional Research Service.** The Republican bill also raises student loan interest rates. As a result, student borrowers will pay hundreds, even thousands, of dollars more for their loans.

Meanwhile, President Bush has failed to live up to a campaign promise to raise the depressed value of the maximum Pell Grant to \$5,100, and his 2005 budget would raise taxes on students taking out college loans, forcing them to pay an additional \$3.8 billion dollars over the next 10 years.



Clearly, these policies are failing to make college more affordable for middle-class families. Just as they pay for Bush’s trillion-dollar tax cuts for the wealthiest Americans, middle-class families are finding that they are being squeezed when it comes to a college education, too. Even those of us *not* in the Spelling Bee can spell “misplaced priorities.” **By contrast, the bipartisan Direct Loan Reward Act (H.R. 4370) would increase student aid for higher education without costing taxpayers an additional dime.**

Yet this bill will not even get a hearing in the Republican House. That’s what we call a “middle class squeeze.”

Each week, the **Middle Class Squeeze** will look at different aspects of how Bush Administration and congressional policies are failing the middle class.

For more information, please call 202-225-2095 or visit [www.house.gov/georgemiller/middleclass/middleclass.html](http://www.house.gov/georgemiller/middleclass/middleclass.html).

**Feeling squeezed – about health insurance, college costs, or gas prices? Tell us about it – [middleclasssqueeze@mail.house.gov](mailto:middleclasssqueeze@mail.house.gov).**