



## BY EMAIL AND OVERNIGHT MAIL

February 8, 2011

Mr. Barry Mills  
President  
Bowdoin College  
Hawthorne Longfellow Hall  
Brunswick ME 04011

**Re: Open Letter Regarding Trend of Increases in Tuition and Comprehensive Fees**

Dear Mr. Mills:

As an investment manager, I try to facilitate client goals in an attempt to obtain a favorable return in the face of the twin problems of taxation and inflation. With respect to the latter, in my mind, nowhere is the problem of inflation as severe as it is with the cost of private-college education.

I'll preface my comments with the fact that I love Bowdoin and want to see it continue to succeed, thrive, and remain one of the best colleges in the country. Having said that, though, I feel that schools like Bowdoin have embarked on a course of pricing which likely cannot, and should not, continue over the long term.

I have done an informal analysis of the cost of a Bowdoin education since 1980 and compared it to the cost of living index, US average household income, and US average household income of the top 20% of earners. According to an article in the October 12, 1990 Bowdoin Orient, the cost of tuition and fees in 1980 was \$8,900, and by 1990, it had risen to \$21,900. A Campus News article posted on March 15, 1999 showed that by 2000 the total cost of a Bowdoin education had increased to \$31,475. Finally, Bowdoin's web site reveals that the current total comprehensive fee is \$52,850, making it one of the most expensive schools in the country. This trend represents a **494%** increase in the cost of a Bowdoin education over the past 30 years. During the same period, the Consumer Price Index as calculated by the Bureau of Labor statistics has roughly risen from 86.30 to 218.70, or 153%. Similarly, average household income from 1980 through 2009 (according to statistics from the US Census Bureau) has only increased from \$22,350 to \$49,777 (or 123%). Even the average income of the top 1/5<sup>th</sup> of households only rose from \$46,497 to \$170,844 (or 267%) during the same period.

I empathize with the frustration of families attempting to save for their children's and grandchildren's college education. While Bowdoin's specific programs of grants and aid are commendable, and possibly better than many comparable schools, I believe that about half of the families do not even qualify for aid – leaving those students and their families either to assume substantial student loans or write painfully large checks.

This tuition trend also makes one wonder where schools like Bowdoin are heading. Bowdoin has a rich tradition of being a trend setter: among the first colleges to publish a weekly newspaper; among the first colleges to graduate an African-American student; among the first previously all-male colleges to admit women; among the first colleges to not require SAT scores. Assuming the current pricing trend continues, does Bowdoin eventually want to be known for being among the first colleges to charge \$100,000 per year? In recent months, the story of escalating higher-education costs has been featured by various news agencies including the New York Times, NPR, and CNBC. Furthermore, you may have seen that over the past year there have been protests to higher-education tuition increases around the world. Is this the outcome Bowdoin wants?

The current economic environment has caused most companies and institutions to re-evaluate their models and reconsider previous paradigms. When I have brought this troubling issue of tuition increases to your attention in the past, you have generally commented to the effect that the demand for a Bowdoin education is so high that you could double the tuition and still fill the class. You have also pointed out that people have been cautioning about college tuitions becoming priced out of the market since the 1960s, but that it hasn't happened yet. While I can appreciate these views, I feel the debt-fueled phase of financing higher-education, may be peaking and I think that schools like Bowdoin ought to be positioning themselves anticipatorily. It would be a shame if, in hindsight, the college could have addressed the issue of escalating fees and instead chose to cling insularly to old tactics.

I understand that Bowdoin's Trustees intend to meet soon to consider next year's total comprehensive fee. At that time, I think that you should think carefully about what the long-term future holds for schools that continue to raise comprehensive fees as they have in the past. You may want to consider, for example, putting together a fact-finding committee with representatives of those most affected by Bowdoin's tuition pricing policy: perhaps two students who are financing their Bowdoin education with loans, two parents of current students who were denied financial aid, and two alumni who have children who aspire to attend Bowdoin. The purpose of this committee would be to review Bowdoin's finances and cost-structure and propose recommendations to the Trustees with the goal of freezing Bowdoin's comprehensive cost for 5 years, and thereafter raising it by only the Consumer Price Index. I volunteer to be one of those committee members.

I am hoping that you will take the message in this letter to heart and not dismiss it. If these thoughts and ideas resonate, I encourage any other readers of this letter - students, parents, alumni of Bowdoin or similar schools, or others concerned about the issue of skyrocketing college costs - to make their opinions known to college officials. I think it is time for people to challenge the forgone conclusion that higher education costs must increase at the rate they have in the past.

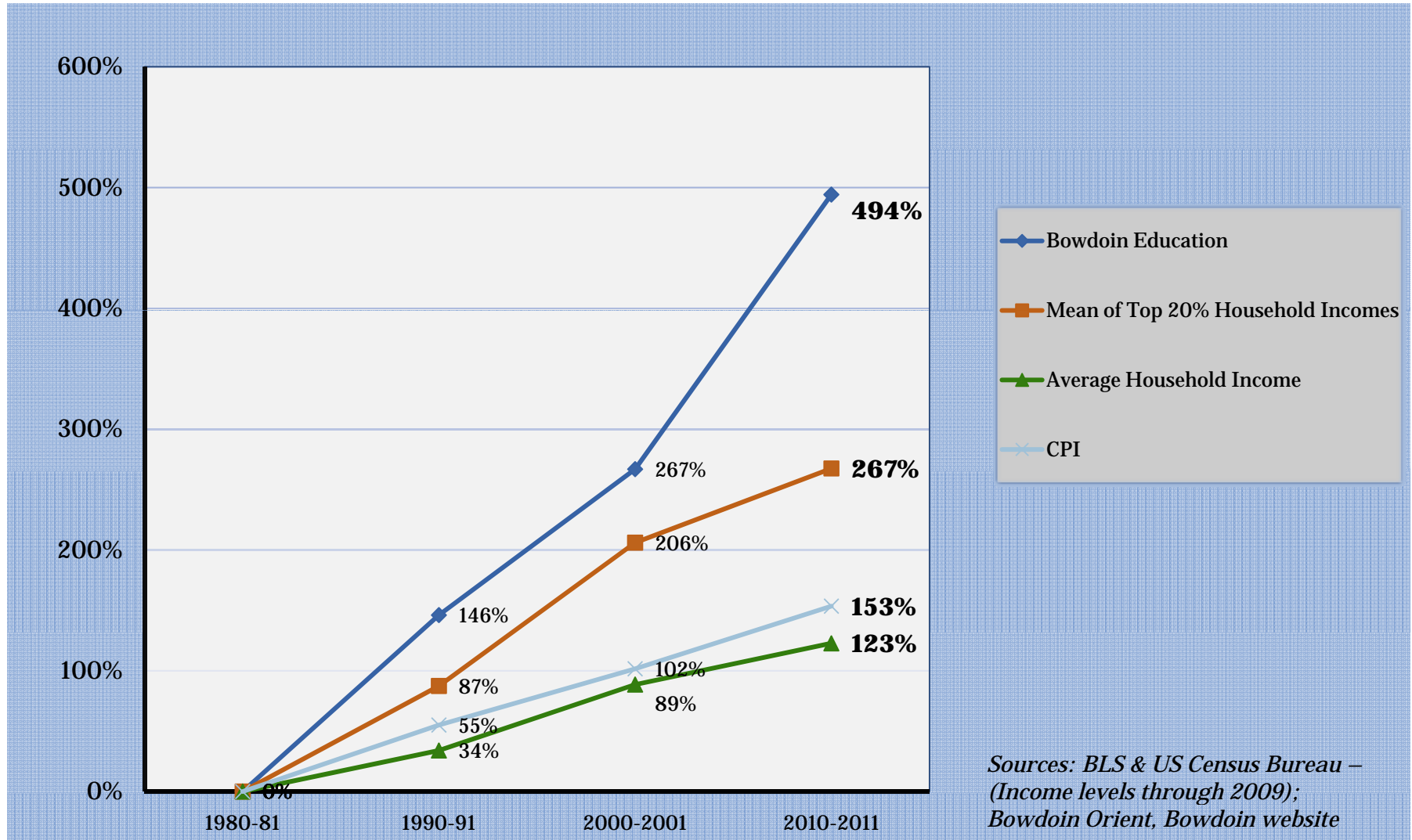
Regards,



Gregg Abella

Bowdoin College, Class of 1992

# % Change of a Bowdoin Education vs. Household Incomes Since 1980



# Bowdoin Education Compared to Average Household Income

