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Free Tuition for Smart Kids

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A visit to Harvard's campus, with its severe stone buildings and hushed lecture halls, can be an intimidating introduction to the oldest university in the U.S. But for many prospective applicants, it's not the gargoyles or the geniuses that scare them away from applying to Harvard; it's the bill.

Next fall, Harvard will charge \$30,275 a year to impart its brand of veritas and gravitas to students. Room and board are extra. And many of Harvard's Ivy brethren charge similar amounts.

The top schools insist they are open to all. At Harvard, families that earn less than \$40,000 a year don't have to contribute a penny to their kids' education; Yale and Stanford do the same for families making \$45,000 or less. But for middle- and upper-middle-class families, the sticker shock at an elite university can be overwhelming. And the recent interest-rate hike of almost 2% on government-backed loans only increases the distress.

Fortunately for those families, a growing number of public colleges and less elite private schools are waiting for them with a bushel of new scholarships that used to be based on need but now are based on merit. The schools are simply following the times: these days even public colleges are obsessed with improving their rankings, which can be done in part by attracting high-scoring students with offers of an all-expenses-paid education. Although need-based grants still make up the overwhelming majority of all scholarships, the giving has been tilting slowly but surely toward the best and the brightest. A decade ago, 90% of state-college grants were need-based. Today it's barely 75%.

What's wrong with giving a bright kid a free ride? Well, consider what happens to the students who used to get those grants. Maybe they weren't the best students, but they still belonged in college. Now they may not be able to afford it, says Sandy Baum, an analyst with the College Board. "We need to have a national discussion of our priorities," she says. "Why do our state schools throw money at the highest-scoring students? What happens to the other kids?"

There is a possibility, however, that the shifting financial-aid priorities could result in a kind of virtuous mixing of the college gene pool. High-achieving kids are going to lesser-known schools and public institutions in greater numbers, drawn by the generous offers. They will inevitably bring higher academic standards with them. And lower-income communities are finding that their gifted kids can gain entry to the most expensive schools, perhaps helping pry open the austere gates of Harvard Yard a little wider in the process.