What Happened When England Offered 'Free' College

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In England, "free college" policies resulted in the wealthiest students receiving a disproportionate share of government subsidies. (Photo: iStock Photos)

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Proponents of "free college" would have you believe that getting rid of tuition fees is all it takes to create a high-quality, equitable, and accessible higher education system.

But a recent study indicates that in England, removing tuition fees from students achieved the exact opposite result. "Free" college in fact created a system where the wealthy benefited, and the poor were left behind.

Starting in the 1960s, England removed tuition fees for its citizens who were full-time students. As one might expect, this caused a massive uptick in the number of students going into higher education.

After years of concerns about financial sustainability, England started to slowly introduce tuition fees in the late 1990s.

Authors Richard Murphy, Judith Scott-Clayton, and Gillen Wyness studied the impact that charging tuition had on student enrollment, equity in college attainment among different income levels, and education quality.

The authors found that after tuition fees were introduced, the number of low-income students enrolling in higher education actually doubled between 1997 and 2015. This seems counterintuitive, considering that low-income families would seem to struggle the most under the new tuition-based system.

As with most government-run programs, the old tuition-free system in England ended up hurting exactly the people it set out to help. With the massive influx of students under the free system, the quality of the system declined and struggled financially to keep up with demand.

In response, in 1994, the government capped the number of students that could enroll in each university under state funding.

The result? The wealthiest students ended up receiving more of the free college tuition subsidies, since they were typically the most qualified and therefore most likely to succeed when competing for limited seats.

Just as we have seen with experiments with universal health care, government control and financing leads to rationing. As England's experience demonstrates, removing market competition from higher education did not help low-income students—instead, it restricted their access even further.

The authors also found that the amount of funding an institution could devote to each student increased once England introduced tuition fees, as did student enrollment numbers.

The story of England's experiment with "free college" should be a cautionary tale for Americans. The concept has certainly gained some traction in the United States already.

Politicians such as Sen. Bernie Sanders, I-Vt., propose offering four years of "free" college tuition to all students at public universities, and New York recently became the first state to offer a two- or four-year degree to residents making $125,000 per year or less.

High student loan debt is a problem for many Americans. But the solution is not to follow failed policies that transfer costs to other taxpayers (most of whom do not hold bachelor's degrees themselves) and to disadvantage low-income students.

A better approach is to pursue policies that cut off the drivers of tuition inflation.

Economic evidence suggests that unrestricted access to federal student loans has led to an unprecedented rise in college tuition. Heavy-handed government intervention in higher education does more harm than good.

England has demonstrated that when competition and market forces enter the mix, more students gain access to a high-quality education.

American policymakers should take note of this policy shift across the pond, and avoid the temptation of making the same mistakes inherent in "free" college.