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Lowering Costs and Increasing Value for Students, Institutions, and Taxpayers

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Chairman Owens, Ranking Member Wilson, and Members of the Committee, thank you for the opportunity to testify today.

For most students, getting a college education is one of the best investments they can make. Over a lifetime, the benefits of a college education—typically—far exceed the costs to students and taxpayers. But for some students, the costs may exceed the benefits, especially if they do not complete their degree or if they attend programs that do not provide them with skills that are valued in the labor market.

If higher education was a well-functioning competitive market, poor-performing programs would be forced to close as students realize the programs' low value. But the reality is that the market for higher education does not operate like other markets. It exhibits several types of market failure that make government intervention imperative for protecting students and taxpayers. Among the most important market failures, and the one I will focus on today, is imperfect information.

This transcription is drawn from testimony delivered by Stephanie Riegg Cellini on July 27, 2023 at the U.S. House of Representatives Subcommittee on Higher Education and Workforce Development hearing on "Lowering Costs and Ensuring Value for Students, Institutions, and Taxpayers". A full recording of this event can be found [here](#).