

# **The art of the gouge: How NYU squeezes billions from our students—and where that money goes**

**For the last three months I have been homeless, sleeping wherever I find shelter. Sometimes that comes after studying at the apartments of my colleagues, some of whom suspect this situation is happening. Other times I have slept in parks or on trains.**

—PhD student, GSAS

**I live on \$2-5 dollars a day. That means two meals a day, and incredibly unhealthy food. I'm hungry all the time. Being so hungry while you're trying to work two jobs to pay your rent and still keep up with your coursework is practically impossible—and more common than you would ever think at a university like this.**

—junior, Gallatin

**I had a full scholarship, but then they raised the tuition, so I was short about \$2000. And when I asked the people in financial aid for help, they laughed. The guy actually laughed. He couldn't believe that anyone would have trouble raising such a small amount.**

**So I was desperate. It's why I turned to [Seeking Arrangement], which is really just a form of prostitution. But I had no choice. It was either that or drop out.**

**It was a hard choice; and I wasn't the only one who had to make it. When I finally got the nerve to tell my roommates I was doing it, they both told me they'd been doing it, too.**

—FAS, Class of 2014

**I can assure you that the University will not proceed with any project unless we are certain it is in the University's interest and is financially sound. The Board is, as you know, filled with people at the top of their**

professions; I can similarly assure you that my fellow trustees and I take very seriously our personal responsibilities and our legal obligations as the University's fiduciaries to ensure NYU's financial health. And please know that the impact of budgetary decision-making on our students and their families is always at the forefront of our thoughts.

—Martin Lipton, Chairman of the Board,  
letter to NYUFASP, 9/13/12

## Part 1: The Big Squeeze: NYU's relentless cash extraction

***"You are nothing to them but \$200,000"***

—Blog post by "Amanda Del," NYU student, 12/17/09

Under Pres. Sexton (and, behind him, Martin Lipton, Chairman of the Board, along with Ken Langone and other powerful trustees), NYU has jumped to Number One in the United States (and, for that matter, the world)—not leadership to brag about. For Mr. Lipton's NYU stands out, not as a "world-class research institution," whose "peers" include Yale, Harvard and Columbia (as Pres. Sexton likes to claim), but as the nation's (and the world's) *most overpriced university*.

This reputation comes from press reports, all accurate enough, on the vertiginous costs of NYU's tuition, room and board. Although it has been making news for quite some time (*Newsweek*, in 2012, ranked NYU 4th among the nation's "least affordable schools"), the story has exploded since the summer of 2013, due largely to the growing crisis over student debt, and important studies by the *Chronicle of Higher Education* and Business Insider.

Thus CNN, CBS, NBC, *USA Today*, *Time*, *Newsweek*, the *Atlantic*, CampusGrotto, Gawker, the *Washington Post*, the *Daily Mail*, and *U.S. News & World Report*, among many other outlets, have all variously hammered home NYU's status either as the second most expensive (after Sarah Lawrence) or "the most expensive college in the country," as Huffington Post sarcastically reported ("Congratulations, New York University!").

We note that such reports are "accurate enough," because, as troubling as they are, they inadvertently *downplay* the problem here, in several ways—not least

of which is the unhappy fact that *NYU costs even more* than they suggest (as we shall see).

Secondly, in merely ranking NYU in terms of outright costs, those articles omit NYU's exceptionally dismal record on financial aid and student debt. That NYU has the nation's worst financial aid (as the *Princeton Review* has been reporting since 2009), and "creates more student debt than other nonprofit college or university in the country" (as the *Village Voice* reported in 2011), are facts unmentioned in those surveys of tuition rates alone.

Finally—and surely most important—all that reportage has subtly prettified the picture, by failing to dispute the myth, hyped endlessly by NYU, that NYU devotes that revenue to *education*.

### ***The myth***

"Big growth in facilities and a \$2.8 billion endowment have transformed NYU from a decent commuter school into an elite institution in the last couple of decades. Tuition is reasonable compared to other places, but living in New York costs a lot."

Thus *Forbes*, in 2012, tried to explain NYU's sticker price, and in so doing re-echoed the inevitable talking point that NYU has been "transformed into an elite institution" by all those billions spent on real estate. Ranking NYU as the nation's 5th-most-expensive university (despite its "reasonable" tuition), *Forbes* tacitly ascribed the high cost both to that "big growth in facilities," and to the pocketbook demands of "living in New York."

That spin reaffirms the line that Pres. Sexton, Mr. Lipton and their flacks have pushed nonstop for years: that NYU has, thanks to their big spending, "grown" into a "world class research institution," offering an education comparable to those at Yale, Harvard and Columbia—and *that* is what our students, and their families, have been paying for.

Pres. Sexton made that case in pitching "2031" before the City Council: "Half of my undergraduates work two jobs," he said (with some exaggeration), "and I have 500 undergraduates that works [*sic*] three jobs while they're going to school.

*Now what are those kids telling us by doing that? First of all, they're telling us that they're industrious as well as smart.... But they're also telling us they really like the quality of an NYU education, because of our locational endowment [i.e. Greenwich Village], and because of the quality we're providing.*

"So as high as our tuition is," he concluded, "our students manage to do it because they want the quality."

### ***The facts***

Thus Pres. Sexton drew a happy picture of our students' desperation, treating it not as an institutional emergency but as a sort of advertisement for the brand. His blitheness troubled City Council Member Dan Garodnick: "But is there any way to actually *protect* these students?" he asked.

*What is it [in the Sexton Plan] that will limit further need of your students to take on two, three [jobs]—as 'industrious' and impressive as that is, to limit their need to do that?*

To this the president replied at length, vis-a-vis "the issue"—"one to which I dedicate my life"—of "enabling every talented student who *should* be at NYU to *be* at NYU," etc. As they concerned financial aid at NYU, his claims were, on their face, preposterous. Relatedly, we raise another question that the City Council Member could have put to him: "As high as [the] tuition is" at NYU, *how* has it improved "the quality" of education there?

Hardly at all, according to *U.S. News & World Report*. In **2002**, when Pres. Sexton took the helm, the magazine ranked NYU at **#33** among America's "Best Colleges." In 2014, after thirteen years of Mr. Lipton's policies, NYU had soared to **#32**.

Our students, and their families, have paid—and are still paying—dearly for that uptick, NYU's tuition *having more than doubled* since 2001, rising from **\$23,336** to **\$46,170**, an increase of **\$21,834** (or **52%**).

(We note a similar disconnection between price and "quality" at NYU's best-known professional schools: NYU Stern—today the nation's *most* expensive business school, although its complex rankings overall are much the same as in 2001; and NYU Law School—today the nation's second-most expensive, although its ranking, by *U.S. News & World Report*, has, since 2007, *dropped* from #4 to #6.)

Thus NYU has, demonstrably, *not* been spending all those millions to improve "the quality" of education here, but, primarily (as we shall see), on real estate, and NYU's top officers. The maintenance of those two bad habits in particular compels the Board to keep NYU's price as high as possible, and to enlarge NYU's clientele (i.e., the student body) to a size beyond the capabilities, or aspirations, of any "elite institution."

Those numbers offer us another way to grasp the Board's indifference to "the quality" of education here: NYU's acceptance rate today is **over 34%**—a figure

six times higher than Harvard's (5.9%), five times higher than Columbia's (6.9%), and double that of Mississippi Valley State University (16.1%). Now with over 40,000 students, NYU obviously ranks, not with Yale, Harvard and Columbia, but with such absorptive giants as the University of Georgia and Ohio State.

### ***How NYU pulls in more paying customers***

"Given our selectivity, getting into NYU is difficult," claims NYU's PR machine, in one more bald departure from reality. Despite such hype, it is quite clear that NYU absorbs so many "clients" *not* to "enable every talented student who *should* be at NYU to *be* at NYU," but only to maintain that flood of revenue which Messrs. Lipton and Langone, et al., have squandered on non-academic purposes.

Under that topdown financial pressure, NYU has long deployed a range of controversial tactics to increase enrollment all throughout the schools. Faculty in Steinhardt and Social Work—two schools whose high revenues are annually siphoned off to other sectors of the university—complain of the administration's various attempts to lower admission standards for their MA programs, and otherwise enlarge the ranks of paying customers. ("They are forever looking for new gimmicks to draw students in," observes a Social Work professor.)

Other tactics are more troubling still. To increase profits from NYU Poly, especially its ever-growing MA program, NYU resorts to a broad range of doubtful practices to lure more paying customers from India, China, Turkey and elsewhere abroad. Because such practices have lowered Poly's academic quality, and caused much student suffering (as reported last year by the *New York Post* and Bloomberg News), last month three graduate students called for a school-wide discussion of the problem, in flyers that they started handing out on campus.

Apparently that topic is taboo. Within minutes, the students were confronted, and their protest halted, by campus security, who detained them briefly for questioning, and wrote up an "incident report" to document the crime. (The story was reported by the Daily Beast.)

Meanwhile, NYU has long jacked up its undergraduate numbers through the Liberal Studies Program, "which kids are often accepted into instead of the program they wanted," posted "sally305" on College Confidential in 2012. "This is a big bait and switch. It functions essentially as a community college 'feeder,' and forces kids to re-apply as juniors to their program of choice." NYU, she adds, "intentionally created mystery about it, going so far as to not have a website for several years. (It does now.) The admission standards are sometimes lower, and NYU does not include them in the stats it supplies for rankings."

Many Liberal Studies students, and the parents of such students, feel that NYU misled them. "Once he was accepted (without any sort of financial aid) we were unsettled by some of the things we read about the LS program," posts one parent. "I guess the bottom line is that he felt duped, applying for a program and finding out later that it is not considered as rigorous as the other colleges at NYU." "He is unaware that many—most?—of his fellow students are in the program because they were placed there not by choice," posts another. "I am troubled by the fact that NYU didn't spell out all the aspects of the program in the application information."

"Essentially, to me," writes one disappointed student, "it's kind of like high school (with harder coursework)," "Had I known exactly what it was & how it limits me academically," writes another, "I don't think I would have come to NYU,"

### ***"We all know NYU is money-hungry"***

While making clear that NYU is an unusually expensive ride, the press has not conveyed a proper sense of how relentless, and ingenious, NYU really is at squeezing cash from its community. For that, one needs to hear from the community—especially the students:

1. all they want is your money.
2. all they care about is your money
3. you are nothing to them but \$200,000

That is not the rant of some eccentric malcontent, but a complaint that comes up endlessly on social media, in online reviews, throughout the blogosphere, and in the student press: "NYU just wants your money ... they don't care about you!" "We all know NYU is money-hungry." "NYU wants your money, and you will graduate feeling suckered." "NYU is a scam... don't go there." "NYU is all about the money, but they use none of [it] to support undergrad education." And so on.

Certainly, NYU has also garnered many glowing reviews that make no such acerbic statements, or refer to cost at all—testimonials by some more fortunate than others, because they never need concern themselves about the cost, or even notice it. We also note (and with no little pride) that those who have assailed the soaring costs and exploitative practices at NYU have often still praised NYU's professors.

In any case, NYU under Mr. Lipton's Board has earned a reputation as a university less interested in education than in cash extraction. Beyond those huge sums for tuition, fees and housing, it seems that there is no amount too *small* for NYU not to charge for it. For students who don't live in NYU

housing, "it costs us forty bucks to use Coles during the summer," notes a senior in CAS.\* "They even charge \$100+ for orientation," protests a former nursing student.

NYU Local has exposed the student meal plan as yet another of NYU's "big-ass rip-offs," while Dailyfinance.com advises students not to use NYU's Campus Cash: "Students (or relatives) can top up their cards online, but they have to pay a \$2 fee every time they do so."

Some students tell of petty charges that seem tantamount to fraud: "A few weeks into my stay I lost my room key," writes a former student who had visited from Ireland. "I was told that the replacement fee would be \$100."

*As this figure was wildly out of sync with my expectations I asked my friends if this were indeed the correct figure. Good thing I asked—the cost was \$25.*

*After three days of futile efforts to try [to] resist paying the fee I finally tore down the A4 sign that showed the cost to be \$25 for the key in question. Did I get an apology? Hardly; this could result in 'judicial consequences,' I was told.*

Such random bites suggest an institution driven by a mercenary need so great that even NYU's tuition, fees and housing costs can't satisfy it—even though they also are too high; and NYU misrepresents them, too.

\*Even faculty with "family memberships" at Coles must also pay, \$10 a head, to bring their children there on weekends.

## "The sky-rocketing costs of tuition"

"Nia Mirza, a 19-year-old from Pakistan preparing to embark on her freshman year, was stunned to discover that the \$64,000 annual price tag (including tuition and the estimated cost of expenses) she *thought* she would be paying had mysteriously risen to \$71,000, after she'd already committed to the school via early decision."

As Gothamist (among others) reported in late March, Ms. Nirza was (and still is) protesting that "mysterious" increase, with a student petition calling it unfair: "The cost of attendance (annual) was suddenly raised after students [paid] the enrollment deposit. This was done without any notice at all; it was just observed by students who reviewed their financial aid package[s] on their 'Albert' portals."

*According to NYU, the costs are increased every year by a small percentage. Even if this is the case, the cost should have been increased way back in January and not when the quarter of the year has already passed, and **when students have planned their budget according to the cost of attendance***

*mentioned when they were given their offers [emphasis added].*

Although Ms. Nirza calls on NYU to cancel that increase, "the point of this petition is to condemn the sky-rocketing costs of tuition, which is only affordable for students from very wealthy backgrounds."

*We are against the amount of debt that students are forced to incur while studying at NYU. We are against the over-pressurization of parents.... We demand a drop in NYU's tuition fee.*

Posted on Change.org, the petition (#NoFairNYU) has, as of this writing, garnered over 5,000 signatures.

### **"HELP!"**

This is not the first time that an individual student has gone public over NYU's tuition. In August of 2012, the *Village Voice* reported the predicament of senior Johnny De Vito, a CAS honors student who, despite a scholarship (and a job at an airline consulting firm), needed \$12,157—*now*—to pay his fall semester bill. Out of desperation, Mr. De Vito made a poster ("HELP!"), featuring the bill, and taped it to a light pole in Washington Square Park: **"Please consider giving me advice or encouragement as I figure out how to pay for the first semester of my senior year."**

Last January, Tisch sophomore Jeremy Harris learned suddenly that he would not receive financial aid, despite a glowing record: "In just a year and a half Jeremy has already been a summer RA, thrived as a baritone in a top-notch a capella group (the Mixtapes), worked several days/nights a week at the Resource Center, all while keeping up phenomenal grades and honing his acting and dancing skills." With only days to find \$7,864, Mr. Harris turned to [gofundme.com](http://gofundme.com) (and raised that sum from other students).

While those were cries for personal help, Ms. Nirza's effort is the first formal protest, by a lone undergraduate (in her case, a prospective undergraduate), of NYU's too-high tuition overall—and the first to protest the deceptiveness of NYU's charging practices.\* Her protest helps us see how NYU has minimized, and otherwise obscured, the true cost of an education here.

\*NYU's Student Labor Action Movement (SLAM) has now embraced Ms. Nirza's cause.

### ***The fine print: How NYU makes even more than we've been told***

Let's begin by noting that Ms. Mirza will be paying more to go to NYU (and even more than she expects) because she is an international student—a difference that the press has overlooked.



On the one hand, international students pay a slightly higher tuition (or "tuition & fees") than their US peers; and that margin will grow notably next year. For those students, the total for this academic year is **\$46,460**, while US students have paid **\$46,170**: a difference of **\$290**. Next year—when "all costs related to study at NYU will increase approximately 5%" (according to the Bursar's Office)—international students will pay **\$48,783**, while their US peers will pay **\$47,750**: a difference of **\$1,033** (an increase of **256%**).

The more it grows, the more significant that difference is, not least because the press has based its calculations of the cost of college in the USA on the rates for US citizens. With that blind spot, the press has slightly understated NYU's tuition—and greatly understated how much NYU charges overall.

Consider CAS. This academic year, the *total* cost for US citizens is **\$64,304**, and, for international students, **\$73,696**—a difference of **\$9,392** (or over **14%**). The difference is about the same throughout NYU's schools.

### ***An international cash cow***

NYU is surely not alone in charging international students more than US citizens—a practice now widespread at "flagship public universities across the nation," as the *New York Times* reported in 2012. That year, for example, international students at the University of Washington were charged \$28,059 for tuition, "about three times as much as students from Washington State" (and over \$15,000 *less* than NYU's tuition then). Students from abroad also pay more at certain private universities.

However, NYU's practice is, in several ways, not comparable to what goes on at other schools. While international students at our public universities "help underwrite financial aid" by paying higher tuition, there is, of course, no reason to believe the surplus serves that purpose here.

And NYU's surplus is vastly larger than at any public university, or *any* other school, thanks to the domestic intake of the Global Network University. "In the 2013-14 academic year," NYU's website tells us, "NYU attracted 11,164 international students, a 19-percent increase over the previous year"—far outstripping USC, Purdue and the University of Illinois, whose international enrollments had surpassed NYU's just the year before.

That year, all those students each paid some **\$9,000** more than the Americans attending NYU, thereby making NYU at least **\$100,000,000** in such extra revenue alone. That would be enough to put 540 students through all four years at NYU—and save them, in interest, somewhere between

**\$34,698,240** and **\$72,270,900**—if NYU spent it on financial aid instead of real estate and bureaucratic salaries.

### ***What are the students paying for, exactly?***

While our international students pay significantly more than those at other universities, NYU also stands out in another way, since those charges are not just the highest in the country but also the most unclear.

What exactly are those students (and their families) paying *for*? Other schools don't hide that information. On its web page for "Tuition & Fees," Purdue has the rate for international students (\$30,804) right beside the rate for US nonresidents of Indiana (\$28,804), making the \$2,000 difference unmistakable. Under "Tuition & Fees," the University of Illinois has the rates for international students (\$31,626-\$38,764) right under those for US nonresidents of Illinois (\$30,796-\$35,800), so that the difference (\$830-\$2,964) is as clear as day. On its web page, USC clearly lists the two administrative fees—\$100 and \$185—for international students (who pay the same tuition as the others).

Now turn to NYU's web *pages* for "Tuition and Fees," and there you will find nothing on those higher costs for international students—no indication that there *are* such higher costs, much less any explanation as to why. The Admissions Office doesn't mention them on "Tuition & Fees," nor does the Bursar's Office mention them on any of its dozens of web pages ("Tuition and Fees"), each noting the tuition rate (and one or two fees) for a particular NYU school, program, center, institute (with separate pages also for undergraduates and graduate students).

And anyone who seeks that information on a guided tour of campus also will not find it there. In the *Admissions Ambassador Handbook*, used by the student guides to answer any questions (their supervisors warn them not to stray from it), the section on "Tuition & Fees" includes a "Total Budget with Housing" for CAS, one for Stern, and one for Tisch—and none for international students and their families, although thousands of them take those tours each year.

Rather than list *their* tuition/fees under "Tuition and Fees," NYU lists them on "Estimated Expenses," a web page run not by Admissions or the Bursar but by "**Global**." Thus the only way to notice the *much* higher charges for our international students is to compare that page with any of those others, or with the budgets in the *Handbook*—yet that comparison will not *explain* the difference. For example:

*This year, for students from abroad, the total cost for CAS is **\$73,696**: **\$46,460** for "Tuition & Fees," **\$24,000** for "Living Expenses," and **\$3,236** for "Health Insurance."*

*This year, for US students, the total cost for CAS is **\$64,304**: **\$46,170** for "Tuition & Mandatory Fees," **\$16,064** for "Room & Board," **\$1,070** for "Books & Supplies," and **\$1000 (!)** for "Personal Expenses."*

The difference in tuition rates—\$290—is clear enough, as is that \$3,326 for health insurance. Those costs add up to **\$3,616—\$5,776** less than the **\$9,392 extra** that NYU charges its 11,000+ students from abroad, in "Living Expenses."

And what are they, exactly? What makes "Living Expenses" (\$24,000) so much more expensive than the total cost (\$18,134) of "Room & Board," "Books & Supplies," and "Personal Expenses"? Does NYU charge its international students more for housing, books or meals? Or do they need certain things for "Living" that Americans don't need? If so, what are they, and why does NYU demand so much for them?

### ***Unclearness by design (1)***

We might regard the chaos of accounts at NYU as a result of mere incompetence, if such indecipherability were not a tactic commonly deployed by iffy vendors of all kinds, to make their over-charges both invisible and inexplicable. (Most—by far—of the online complaints by patients at NYU Langone concern its billing practices.)

With that in mind, we note that NYU may actually be charging its prospective students even *more* than they now think. If Nia Mirza, the Pakistani undergraduate-to-be, was shocked to find, from whatever letter NYU had sent her, that her first year would cost her family **\$70,974** (as opposed to \$64,000), she ought to check out **Global's** web page, "Estimated Expenses," which puts the price at **\$73,696**.

In any case, the dizzying unclarity of all those price-lists doesn't obfuscate the cost for international students only, but for *all* prospective students. While other universities post their *annual* tuition, NYU blurs the cost for its American market by posting the price per semester (on the Bursar's web pages), and—even more misleadingly—the *price per course* (on the Admission Office web page), giving the impression that "tuition" here is only a few thousand dollars.

NYU also misleads prospective students, and their families, by telling them to put aside \$1,000 for their "personal expenses." Whereas that would have been enough when Jimmy Carter was in office, or would be enough in Little Rock today, it's nowhere near enough to pay for laundry (no dry cleaning), transportation (subways only), cellphone, toiletries, cleaning supplies, the odd snack, and a movie now and then, for nine months in Manhattan, in this century.\*

And that assumes nine months without a medical emergency. While posting the cost of health insurance for its international students, NYU doesn't do so for its US applicants. On none of its web pages, nor in the *Handbook*, does NYU note this *mandatory* annual expense for US students (or, therefore, that such costs have been increasing: *Crain's New York Business* reported, in 2012, that NYU had raised the price of student health insurance premiums by 33%—an increase three times larger than Columbia's).

\*For students at the School of Medicine, "personal expenses" come to \$4,500.

### ***The (largely hidden) burden of NYU's health insurance***

As its name implies, *all* NYU students are required to buy NYU's Mandatory Plan ("This plan cannot be waived"). Now costing **\$2424** per annum (**\$1212 x 2** in registration fees), this plan mainly offers "access" to the Wellness Center, plus "limited coverage" for some ER services and mental health outpatient visits.

For fuller coverage, NYU also offers two optional insurance plans: "Basic," for **\$2094**, and "Comprehensive," for **\$3236**—with deductibles of \$5000 in-network, and \$10,000 out-of-network. Those plans don't cover routine dental care, or "eyeglasses, hearing aids, [or] examination for the prescription or fitting thereof."\*

With such essential care excluded, and those high deductibles, NYU's coverage is one more expensive proposition for our students. (It seems especially costly for our international students, who are apparently *required* to pay not only for the "Mandatory Plan," but also for the costlier—**\$3236**—of those two plans that NYU calls "optional.")

And, for all too many seeking medical attention here at NYU, those costs are only the beginning; since the "care" that they receive at NYU's own facilities—the Wellness Center, and, for those who buy the STU-DENT plan, the walk-in clinic at the College of Dentistry—is all too often insufficient, and sometimes makes things worse, requiring them to pay for proper care elsewhere.

\*According to the "Tuition & Fees Worksheet" for the School of Law, this year those two plans cost several hundred dollars more—**\$2,568** and **\$3,974**—for full-time students there.

### ***NYU's January squeeze***

Since Pres. Sexton's installation in 2002, NYU's tuition costs have shot up every year, "far more than the inflation rate," as one student journalist noted in 2009. Between 2002 and 2011, tuition spiked an average 5.08% per year, between 2002 and 2011, with further increments, since of then, of roughly 4%.

Beyond those annual increases, NYU has given the tuition lemon yet another mighty squeeze, by charging separately for courses taught in January. Introduced in 2008, the "J-TERM" was devised exclusively for its financial benefits—although NYU, as ever, sells it as "a distinctive learning experience." ("During this time, students can take advantage [*sic*] of intensive study at one of the foremost research and teaching universities in the United States," etc.)

The mercenary point has been apparent to our students—especially those who transferred here from schools that don't charge extra for their intersession classes: "The tuition for the 3 week January term is included in the fall semester at Hampshire [College]. At NYU, which basically just wants your money, taking a January class is like an additional 4 thousand dollars. No thank you."

That was in 2012. This year, those courses each yielded **\$5156** from undergraduates in CAS, Liberal Studies, Gallatin and Nursing; at Poly, **\$5316** from undergraduates, and **\$5808** from graduate students; **\$5916** from Steinhardt graduate students: **\$6224** from Gallatin students; and, at Tisch, **\$6200** from undergraduates, and **\$6280** from undergraduates. (Those prices are especially impressive, since those courses are taught on the cheap, by non-tenured faculty who each make roughly what *one* student pays for that "distinctive learning experience.")

Although lucrative at first, reportedly the J-TERM soon *cost* NYU money, as students started using it, along with advanced placement credits, to graduate early. In any case, the trick is widely played throughout the Global Network University, with NYU/Abu Dhabi serving as a hub:

Current NYU New York and NYU Shanghai undergraduate students have the opportunity to take January Term (J-Term) courses with NYU Abu Dhabi. Courses are available in Abu Dhabi, Berlin, Buenos Aires, Florence, London, New York, Shanghai, Sydney, and Washington DC. These courses give students from NYU Abu Dhabi, NYU New York, and NYU Shanghai the opportunity to study together and experience the rich diversity of NYU's Global Network.

However much NYU rakes in from such worldwide offerings, the J-TERM is just one of several ways in which the Global Network University provides NYU's Board with many further millions for its own designs (see below).

We turn next to the vast amounts that NYU absorbs through scores of hidden fees and "nonrefundable deposits."

## NYU's "hidden costs"

*"I can't believe NYU charged so much extra crap."*

—*"Cathleen" on College Confidential, July 17, 2005*

*"I had to take out loans just to cover my fees and health insurance."*

—*Sophomore, CAS, Oct. 5, 2014*

"So my kid got in[to] her dream school NYU, and got to be excited for 5 minutes," posted "finalchild" on College Confidential, on April 3, 2013. His daughter's face fell when she caught the price. It wasn't just the "64K+ price tag" for tuition ("a price tag that will only go up yearly"), but the further bite on top of that: "Then factor in the at least extra 10K that everyone says you have to account for in hidden NYC/NYU costs."

Faced with "a total bill that will exceed 300K," the family couldn't do it—especially with NYU's nominal financial help: "Oh, I forgot the generous merit scholarship of \$1000 per year, which I assume is given solely so that NYU can add us to their numbers of how many they give aid to."

That post prompted an incredulous reply from "smarterchild," whose fierce defense of NYU suggests that s/he was working for them as a troll: "10k+ in hidden costs? What on earth are you spending 10k on?" ("NYU has been exceptionally generous this year with their aid," asserted NYU's defender, adding sweetly: "Perhaps your child just wasn't considered to be a top candidate.")

"Anyone we've talked to has said, 'Whatever they tell you NYU costs, add 10K,'" finalchild replied. ("Thanks for joining [the discussion] just to respond to this. Might you have some investment there?" he asked astutely.)

### ***NYU's unofficial motto: "Caveat emptor"***

That disgusted parent was quite right: NYU's "hidden costs" are common knowledge. "I am a sophomore at NYU now and I can tell you that it is more expensive than you know," "Sara" posted on Yahoo.com on Dec. 5, 2009.

*The sticker price is high, the amount of financial aid available is low, and there are hidden fees and costs that you won't even find out about until you are already committed to attending.*

Such online complaints have been proliferating for the last ten years or so, as NYU has shifted ever more aggressively from educating students to extracting all their cash (and then some): "I wish they gave those hidden costs when they mailed you the 'tuition and living estimates,'" "Cathleen" posted on College Confidential on July 17, 2005.

NYU's PR machine has tried to blunt this spreading discontent: on the one hand—and as usual—with huffy fabrications ("NYU has been exceptionally generous this year with their aid") and tranquilizing smoke: "Please consider a few of the things that registration fees help provide for students at NYU," our Undergraduate Admissions Office posted in (ostensible) response to Cathleen's point about the many "hidden costs" at NYU (*not* the "registration fees").

Meanwhile, and more successfully, NYU has also worked to blur the issue of its many "hidden costs" precisely by so deftly hiding them—in bureaucratic jargon, euphemism, double-talk; by planting them deep in the boilerplate on some web pages (and not others); or even by not writing them down anywhere.

### ***Unclearness by design (2)***

Thus NYU deploys the same obfuscatory methods to conceal its many fees (including those called "nonrefundable deposits") as it uses to becloud its real tuition revenues—as we may clearly see by noting how it's done at other universities.

Columbia, New School and CUNY (for example) each provide their students with a single, simple website that lists, clearly, *all* the fees to come, for both undergraduates and graduate students. For undergraduates, those aside from housing, meal plans and health insurance are as follows:

#### Columbia

*Student Life Fee (per semester): \$739*

*Orientation fee (1st term only): \$416*

#### New School

*University Services Fee (per term): \$130*

*Student Senate Fee (per term): \$8*

*Academic Supplies Fee (for BFA students): \$95*

CUNY

*Technology Fee (per semester):*

**\$125** for full-time students at 4-year colleges

**\$62.50** for part-time students at 2-year colleges

**\$100** for full-time students at 2-year colleges

**\$50** for part-time students at 2-year colleges

*("Paid by each student to help improve computer services in the colleges")*

*Activity Fees: "These range from around **\$58** to **\$140** per semester for a full-time student. A part-time student pays less."*

*Consolidated Service Fee: **\$15** (per semester)*

At NYU, as noted earlier, there is no single page providing all such information, but separate pages for each school, and for undergraduates and graduate students. For undergraduates in CAS this academic year, the fees are listed thus:

*Nonreturnable registration and services fee for flat rate, per term: **\$1212***

*Nonreturnable College of Arts and Science academic support fee, per term: **\$55***

Then:

*Nonreturnable registration and services fee:*

*First unit **Fall 2014: \$461***

*First unit **Spring 2014: \$461***

*Nonreturnable registration and services fee, per unit, for registration after first unit: **\$65***

First, while those three other schools are models of lucidity, NYU's fees are gratuitously baffling. Which of those charges are inclusive and which aren't? Is that \$461 applicable if one pays not the flat rate, but by the unit? If, say, a student registers for 10 units at \$12,890, rather than go for the flat rate of \$21,890, would s/he pay \$461 and not \$1212? Typically, there is no explanation.

Secondly, this contrast makes quite clear that NYU's fees are exorbitant—in this case, over \$600 more than at Columbia, another pricey school. And what, exactly, are those charges *for*?



### ***You get what you pay for—but what is it?***

What is the purpose of that "academic support fee"? One wonders what it is that costs CAS undergraduates **\$110 per year**—and CAS graduate students **\$60**, Nursing graduate students **\$150**, Nursing undergraduates **\$400**, and Stern undergraduates **\$990**, while graduate students in the Wagner School are charged a "Nonreturnable Wagner Academic Support fee, per unit," of **\$14** (while NYU imposes no such fee on any other students here, although they too must need "academic support").

While there appears to be no online explanation for that fee, there are competing explanations for that far larger one—**\$2424** throughout NYU's schools (this year)—for "registration and services." (In most of the graduate schools, this fee is **\$922**.)

According to Undergraduate Admissions (in its post on College Confidential), those fees "help provide" the following:

*free and unlimited access to the Coles Sports Center and Palladium Gym including the maintenance and up-keep of these facilities*  
*- free and unlimited acces[s] to the University Health Center as well as the up-keep of these facilities*  
*- technology fees which help cover the cost to operate computer labs on-campus as well as other information services technology (such as wireless capabilities across much of the campus)*

NYU's Board provides a somewhat different explanation:

*Note that the registration and services fee covers membership, dues, etc., to the student's class organization and entitles the student to membership in such University activities as are supported by this allocation and to receive regularly those University and College publications that are supported in whole or in part by the student activities fund. It also includes the University's health services, emergency and accident coverage, and technology fees.*

Surely that view is authoritative, since NYU's schedule of fees has been "established by the Board," which "reserves the right to alter [it] without notice." It must be true, then, that that fee, while covering the students' healthcare and IT needs, also provides the "dues" supporting every student's "class organization," and pays for all those "University and College publications" that all NYU students "receive regularly."

### ***Some fees not mentioned by the Bursar***

Whatever is or isn't covered by those two fees noted on the Bursar's "Schedule of Tuition/Fees," we find that it is not complete. On the separate schedule ("Tuition and Fees") maintained by the Admissions Office, we find a listing of "Additional Fees" for undergraduates in CAS:

"College of Arts and Sciences fee"

"This is added to the tuition for any course offered by the College of Arts and Sciences (Subject Code ends in "US"): US **\$11.00 per unit/credit**"—i.e., another **\$44 per course**, beyond the "academic support fee" of **\$55 per semester**.

"Program fee"

"For special events and extracurricular activities: US **\$250**"—i.e., another **\$500 per year**, evidently for "activities" and/or "events" *not* covered by that student activities fund. ("They asked me to make out the check directly to the dean's office," recalls one sophomore.)

And beyond the richly funded world of CAS, there are other fees not listed by the Bursar: "a \$100 nonrefundable program deposit to *apply*" for January Intersession Courses in the Steinhardt School (emphasis added); \$100 for graduate orientation at the Nursing School. And students tell of fees apparently not listed anywhere—a "TSOA Open Arts Curr Lab Fee" of \$215 for a dance class in the Tisch School, although the course used no equipment or supplies (a fee unmentioned on the Bursar's web page "Spring at Tisch Expenses"); a lab fee of \$350, plus up to \$50 for supplies, for "Introduction to Printmaking" in Steinhardt—"an intensive survey course" comprising "demonstrations and lectures," according to the course page, which says nothing of a fee. ("The issue I have," says one student, "is that we have to pay those fees, which weren't announced, when we're already paying for the class.")

***"Nonrefundable deposits"***

For students struggling to get by, such costs add up—although nowhere near as much as the prodigious "nonrefundable deposits" that NYU collects throughout the schools.

Students who seek housing at Columbia pay an application fee of \$100. NYU charges a **\$1000 Housing Reservation Payment**, which is "nonrefundable/nontransferable." "Once the application has been submitted" for the Law School's Summer Living New York Program, "applicants must submit the **\$725 initial deposit/nonrefundable processing fee.**"

Such hefty fees are often cast as credits or advances. "To accept our offer of admission and confirm your place [at Wagner], please log into ALBERT ... and

submit your U.S. **\$1000 non-refundable enrollment deposit** by e-check or credit card." (It "will be applied as a credit to your student account.") "To confirm your enrollment in our incoming class [at Poly], please accept your offer of admission and pay your **non-refundable \$300 tuition deposit (if required) [sic]** by following the steps below." ("This deposit is credited toward your first semester's tuition bill.")\*

While Columbia Law School's application fee is \$85, "all applications [to NYU Law] require **an initial payment of \$1025 (\$25 nonrefundable processing fee and \$1000 initial deposit** at the time of application." ("Your initial deposit [\$1000] will be applied towards your summer rent.") "Upon notice of admission [to Tisch], students confirm their acceptance with a **nonrefundable \$550 deposit**, which is applied to tuition."

Tisch is an especially demanding place—and unforgiving, as even those who ultimately can't attend don't get their money back. "Students who cancel after submitting their confirmation form will not receive a refund for the following": the **\$2,000 deposit fee (nonrefundable and nontransferable)** to the TSOA Summer High School; the **\$1,500 Program Fee (nonrefundable and nontransferable)** to Summer Study Abroad; the **\$1,500 Special Program Fee (nonrefundable and nontransferable)** to Fall/Spring Study Abroad. ("I didn't even get to go to school—health problems—and got \$400 in photography fees taken from me," one Tisch student posted recently on Yelp. "It's one thing to keep the registration fee, it's another to steal and keep supplies bought with money from a student who can't even use the lab.")

\*All Poly students pay an International Student Fee of **\$180** (\$90 x 2), while undergraduates in their first semester pay a **\$35** "clicker fee."

## The Global Network University

Those \$1500 "program fees" are only two of the innumerable ways in which NYU milks the student thousands fed incessantly throughout the GNU.

"Congratulations on your admission to the New York University Global Programs! To reserve a space for you in the program, please confirm your enrollment online or send your completed confirmation along with your **nonrefundable \$500 reservation fee** to the NYU Office of Global Programs."

"I was just officially offered my spot abroad next year, which is necessary to meet my graduation requirements as a Global Liberal Studies student. My excitement was quickly dashed, however, upon seeing that in order to secure said spot abroad, a 500 dollar deposit is 'recommended' before March 15th," a student posted last year on NYU Secrets.

*Who gives a person less than two weeks to find that kind of cash? .... I don't even feel comfortable mentioning this to my parents. Are they supposed to not feed my siblings and/or skip a mortgage payment because NYU is trying to shake the money tree's trunk some more?"*

Others have complained about NYU's meager budgeting for programs in the GNU. "The biggest bust of being abroad is how much NYU screws you over on extracurricular money," one student writes of NYU/Madrid. "I remember that we got 30 euro to spend throughout the semester on ... museums, shows, bullfights, etc. That amount is waaayyyy less than what you would get on Manhattan's campus. What gives? Total ripoff."

Their pique is understandable, considering how much NYU costs; and yet such grumbling is misplaced, because what makes the GNU a "total ripoff" isn't this or that deposit or inadequate allowance, but the nature of the enterprise itself.

### ***NYU's "total ripoff"***

Contrary to Pres. Sexton's public musings, the purpose of the Global Network University is not the creation of a worldwide "cosmopolitan" community. Its purpose is to make as much as possible off NYU's huge student body, by globalizing those uniquely exploitative practices that NYU has been perfecting here at home.

Throughout its "global sites"—from Paris, Prague and Florence to Accra, Tel Aviv and Buenos Aires—NYU charges students its notorious tuition for curricula taught mostly, or entirely, by local adjuncts and some contract faculty. "They're making a fortune on tuition in London," says David Ruben, former director of that program (the largest of NYU's "global sites"). "No matter how high you pay, you pay part-time."

While paying bottom dollar to its professoriate abroad, moreover, NYU gives them no sabbaticals, and funds no conferences—a budget not so likely to create what Pres. Sexton calls "a place where, in a reinforcing cycle, cosmopolitans can find each other, meet and re-meet, engage and re-engage in a kaleidoscopic set and contexts and relationships." Indeed, NYU abroad is what Prof. Ruben calls "an academic solipsist," making no arrangements to collaborate with local universities, however many or illustrious they are—as if it might dilute the *brand*.

Driven wholly by the bottom line, such programs are about as "cosmopolitan" as the Grand Marriott experience that **Global** sells NYU's students: a comfortably *familiar* blend of "luxury, safety and accessibility," as Nili Blanck (Gallatin 2013) notes in her Senior Project on the GNU. Through that touristic

pitch, NYU invites our students *not* to live for a semester in some foreign place, but to spend it in NYU housing there—at ludicrous expense.

*"Clearly, we are being ripped off"*

Thus NYU makes millions off the GNU not just from the exorbitant tuition, but also from its global archipelago of high-priced real estate.

"So, for housing in Berlin," reports a junior in Steinhardt, "I'm paying **3,569 euros** to live in a suite with five other girls and share a small bed."

*Typically, the rent in Berlin for a huge room with one or two roommates, in the hip younger areas of the city, can be as low as 400 euros, or 1,600 euros total. I have a friend who is living in a penthouse with three other people, and has a room bigger than most studios in New York, and who paid 2,600 euros for four months. Clearly, we are being ripped off.*

"NYU requires Prague students to live in NYU housing," writes a junior in CAS. "While the dorms are nice, they are much pricier than renting an apartment in the same neighborhood."

*I was pretty surprised by this: Prague is one of the cheapest major cities in Europe to live in. Only cities further east, like Budapest and Warsaw, are cheaper than Prague, yet NYU's housing costs are pretty similar to their other abroad sites.*

*My particular dorm is in a residential neighborhood called Vinohrady. Looking around, I saw that local 2-bedroom apartments can start at around \$600 per month, with the nicer ones closer to \$1400. And I'm paying **\$4700** for 4 months here, with one roommate and two suite mates paying the same. It's interesting to see that I could've split that money with my suite mates if we had rented a normal apartment*

Such is the experience of students all throughout the GNU—in London, Paris, Florence, Buenos Aires. "A total rip-off, unless a five star hotel. I would say three or four times the normal cost," says Sergio Kiernan, a noted Argentinian journalist, of what NYU charges for three months in Buenos Aires: \$4,007 for a single bedroom, \$3,793 for a double.

The students thus expensively cooped up are doubly cheated—not just "ripped off" financially, but also socially deprived, as three months in the crowded "safety" of an NYU facility is more like a school trip, or a vacation with one's parents in a (cramped) "five star hotel," than living freely, and far more cheaply, in "a residential neighborhood."

Other universities allow, and help arrange, that cheaper, more illuminating kind of stay abroad. Indeed, NYU itself allows it, in Madrid—NYU's oldest site abroad: "Homestays with Spanish host families encourage students to build a deeper connection with Spanish culture and provides an opportunity to practice speaking in a more casual environment." Apparently, NYU owns no student housing in Madrid. (If they did, the student who complained about his small per diem there would be a whole lot angrier today.)

Elsewhere, NYU charges up to 60% more than local rents—and, as ever, vastly more than other universities:

> For a semester in London, Boston University charges a Housing/Student Services Fee of \$4,600, for housing *and* "airfare from designated U.S. cities, excursions, overseas medical insurance, and emergency travel assistance coverage.

> For a semester in London, the University of Chicago charges a "London program fee" of \$4,600, for housing (in a furnished two-bedroom apartment) *and* "instruction," "student support," "program excursions" and emergency travel insurance.

> For a semester in London, NYU charges, for "apartments in the NYU managed buildings, *which are shared by up to ten students*" (emphasis added), **\$10,025** for a Single, **\$8,576** for a Double, **\$8,094** for a Triple, **\$7,610** for a Quad, and **\$6,856** for a Double; and—bafflingly—**\$6,856** [*sic*] for a "Lower Level Double (low cost, very limited availability)."

### ***"Forced" study abroad***

NYU profits off the GNU not only through its policy of mandatory residence, but also by requiring freshmen in the Liberal Studies Program to spend that year abroad. "NYU's Liberal Studies Program makes some freshman admissions contingent on spending the first year abroad to maximize campus use [*sic*], said Fred Schwarzbach, the program's dean," *Businessweek* reported in 2012.

That's one way to put it. Others—including some NYU students, and some parents—take a harsher view: "You are admitted to NYU LSP, but guess what?" posts one mother who rejected NYU. "There is no room for you in New York, so you will be spending your freshman year in Florence/London/Paris/Shanghai (this also happens to kids who are waitlisted). I don't know about your kids but mine certainly wouldn't want to start their college experience—at the school they were dying to attend—not actually at that college."

"I got into LSP too," posted "saad4680" on College Confidential in 2011, "but all my referral options are london paris shanghai or florence. I thought we had a

choice whether to study abroad or not. This really sucks 'cause I want to study in NYC."

## A note on NYU's financial aid

While he has not devoted any public speeches to the scourge of student debt, Pres. Sexton touched upon the subject at the City Council, when (as we have seen) some members brought it up.

Despite all those "extreme cases in the newspaper[s] about the indebtedness of NYU students," student debt at NYU is not extreme, he seemed to say: "The median student that graduates from NYU graduates with only \$7,000 in debt—\$7,000 after four years of education. That's the median student. Amongst students that receive financial aid, the median indebtedness is \$28,000, after four years of education."

Furthermore, NYU's financial aid is actually quite generous, he said. "We put about \$190 million a year, which is more than any other university, I believe, into financial aid." Moreover, he continued, "it's significant that over 20% of our undergraduates are Pell Grant-eligible students—over 20%, that's double most of our peers as a percentage."

### *How NYU bleeds its poorest students*

Thus Pres. Sexton lowballed the debt burden of NYU graduates, by stressing "*median* indebtedness," and prettified the picture of NYU's skeletal financial aid, with a 9-digit number out of context. (In 2012, moreover, other schools, like USC, were actually outspending NYU.)

As for NYU's "Pell Grant-eligible students," it's true that NYU enrolls more of them ("over 20%") than do our putative "peer" institutions: Columbia and Yale have 15%, Princeton 12%, and Harvard 11%.

That higher percentage isn't all that meaningful, however. For one thing, Pell Grants don't go very far these days. The maximum award this year, for example, is \$5,730—not much when you're confronted with a \$70,000+ sticker price.

And there is another statistic, far more relevant—and damning—than the percentage that the president invoked. Looking at the average net price that a university charges for low-income students, we find that it's quite low among NYU's "peers." For Pell students whose families make less than \$30,000, Yale, Harvard and Columbia charge around \$6,000 or \$7,000—while NYU charges them a jaw-dropping **\$25,462**, or **over 84%** of their entire household income.

(Why so much? One important reason is that universities like NYU, fixated on the national rankings, offer much of their financial aid to privileged applicants who tend to be high-scoring, because higher SAT scores make for higher rankings. Thus NYU, because of its obsession with PR, has pushed its poorer students deeper into debt.)