

A STUDY OF STUDENT LOANS AND THEIR RELATION TO HIGHER EDUCATIONAL FINANCE

DIGEST

1. Changing Basis of Higher Education and its Financial Support

Throughout the entire development of higher education we find that the purpose for which it existed and its sources of financial support were closely related. There are three reasons for the existence and liberal support of educational institutions:

- A. *Cultural*—which seeks the religious or spiritual welfare and also the advancement of knowledge in unremunerative fields.
- B. *Political*—which aims at training for citizenship. The cultural aims of education also bear directly on the training for citizenship.
- C. *Economic*—which seeks the increase of the physical wealth, comfort, and happiness of the individual and of humanity through the advancement and dissemination of knowledge.

2. Three Sources of Higher Educational Income

- A. Endowments and gifts, or the philanthropic sources.
- B. Appropriations and gifts from city, state, and national governments, including land grants.
- C. Fees and tuition paid by students, or income from students' fees for tuition and other educational services.

3. Income According to its Source Compared with Benefits Derived from Higher Education

- A. Income from student fees has not risen proportionately to that of income from other sources but has in reality decreased.
- B. Educational charges in the various schools or higher educational institutions, both public and private, have not been apportioned with due consideration of the differences in the economic value of the training the student receives from the various schools or departments.
- C. The financial policies of institutions must be gradually remodeled in accordance with the changing economic conditions and the new purpose for which higher education exists which will necessitate a change of policy in regard to student finance.
- D. The general claim that higher education justifies large state appropriations because of the subsequent value to society of the persons it trains, is equally applicable to any form of training, physical, cultural, or vocational.