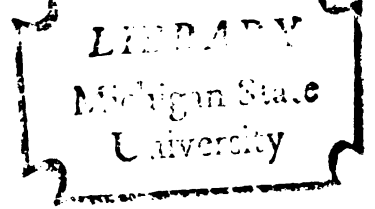


THE HISTORICAL AND PHILOSOPHICAL
DEVELOPMENT OF TUITION FEES IN
UNITED STATES COLLEGES AND
UNIVERSITIES AND ATTITUDES OF
MICHIGAN STATE UNIVERSITY
PARENTS TOWARD FEES

Thesis for the Degree of Ph. D.
MICHIGAN STATE UNIVERSITY
DONALD R. GILLETTE
1968



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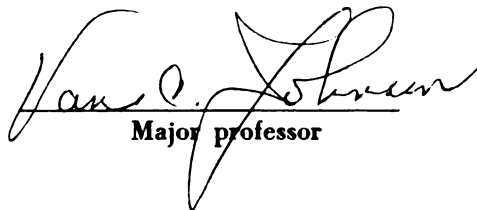
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STATE UNIVERSITY PARENTS TOWARD FEES

presented by

Donald R. Gillette

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ABSTRACT

THE HISTORICAL AND PHILOSOPHICAL DEVELOPMENT OF TUITION FEES IN UNITED STATES COLLEGES AND UNIVERSITIES AND ATTITUDES OF MICHIGAN STATE UNIVERSITY PARENTS TOWARD FEES

By

Donald R. Gillette

This study examines the attitudes of parents of Michigan State University students toward fees and fee schedules, with particular emphasis on the Michigan State University graduated fee schedule based on family income. A historically and philosophically developed rationale also examines a pattern of evolvement of tuition fee charges in public institutions of higher education toward tuition-free public higher education.

The Michigan State University graduated fee schedule, commonly referred to as the "sliding scale" tuition schedule, signaled a departure from the traditional method of charging all students a flat-rate tuition fee, regardless of economic need or chosen program of study. The inception of a graduated fee schedule based on a calculation of a student's or his parents' ability to pay presented

a new approach to the problem facing American society in providing higher education for all economic segments of society. The graduated fee schedule adopts the concept of "ability to pay" which has been applied to student financial aids.

The rationale developed in this dissertation contends that as the numbers attending college increase, and as society determines that higher education should not be denied citizens because of its cost, the pattern of evolvement toward free public higher education will approximate the pattern experienced by public elementary and secondary education. The question raised by the thesis is whether a system of graduated fees based on ability to pay is within this pattern. Since parents of students are voters and taxpayers, their attitudes and opinions toward Michigan State University's graduated fee schedule and toward tuition fees in general were analyzed.

The questionnaire study was conducted in May, 1968. Questionnaires were mailed to parents of 515 undergraduate, unmarried, Michigan-resident students enrolled at Michigan State University for Spring Term, 1968. Three hundred sixty-seven questionnaires were returned at a return rate of 71.6%.

The major findings of the study as reflected by the hypotheses follow. Only 7% of the respondents expressed an opinion that students should not be required to pay any part of their instructional cost.

Twenty-three percent felt that students should pay one-quarter to one-third of the instructional cost, and 37% held the opinion that the amount a student and/or his parents should pay for instructional costs should depend on need and ability to pay. Fifty-one percent of the parents represented in the study preferred the Michigan State University graduated fee schedule based on family income and the number of children enrolled, to a flat-rate fee for all students. Forty-seven percent of the parents preferred the flat-rate fee. Parents who earn higher annual incomes and contribute larger amounts to their student's cost were more likely to prefer a flat-rate schedule than parents who earn lower annual incomes and contribute less to their student's costs. Parents who feel that the Michigan state income tax should continue to be levied at a constant percentage (flat-rate) were more likely to prefer flat-rate fees, while parents who feel that the state income tax should be levied at a percentage graduated according to income (graduated) were more likely to prefer the graduated fee schedule. Democrats were more likely to prefer graduated fees than Republicans, although 46% of Republicans preferred the graduated fee schedule to a flat-rate schedule. Parents of students who received fee reductions were more likely to prefer the graduated fee schedule, although more than one-third of those who preferred flat-rate fees received a fee

reduction and more than one-third of those who preferred graduated fees did not receive a fee reduction.

Other results of the analysis follow. Seventy-two percent of all parents objected to a feature of the graduated fee schedule which requires submission of the federal income tax form in order to be considered for a fee reduction. Parents tended to disagree more with the suggestion that the graduated fee schedule provide higher fees for students from families whose incomes are higher than \$16,700 than they were to disagree with the suggestion that the graduated fee schedule should provide lower fees for students from families with incomes lower than \$11,800. Parents did not consider fee reductions more desirable than scholarships, work programs, or loans, when fee reductions are listed as a financial aid. Among all parents, scholarships tended to be the most desirable, followed closely by work programs and loans. Fifty percent of the respondents would not object to a state system of fee reductions for students in state colleges and universities.

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for her unending love, confidence, and devotion, I owe more than
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CHAPTER I

THE PROBLEM

Purpose

The purpose of this study is to review in historical and contemporary perspective the tuition fee systems in publicly-supported institutions of higher education within the United States and to examine the attitudes of parents of Michigan State University undergraduate students toward fees and fee schedules. One of the main purposes of the historical and contemporary review is to develop a rationale, both historically and philosophically based, from which a thesis may be derived. The attitudes and opinions of parents will be analyzed within the framework of the thesis.

A primary assumption is that parents' attitudes are important to administrative decision-making in higher education. A 1960 report by the Survey Research Center of the Institute for Social Research at the University of Michigan showed that United States parents supply 60% of the average total costs charged to college

students.¹ A 1963 Michigan State University study revealed that the average single student received about 67% of his resources from relatives.² These studies indicate that parents have a large financial interest in their student's welfare, and thus in the amounts their students are charged for tuition fees. Because of this financial interest and their roles as voters and taxpayers, Michigan parents of Michigan State University students are likely to make their attitudes known to legislators and elected members of the Board of Trustees through a variety of channels and thereby exert some influence on future policies.

Need

Of the issues which confront those responsible for providing higher education to the American people, two are transcendent--access and finance.³ The questions of "Who is going to be admitted to which college?" and "Who is going to pay for the operation of the

¹ J. B. Lansing, T. Lorimer, and C. Moriguchi, How People Pay for College (Ann Arbor: Survey Research Center, Institute for Social Research, University of Michigan, 1960).

² James D. Shaffer, Financial Aspects of Undergraduate Student Life at Michigan State University 1961-1962 (East Lansing: Office of Institutional Research, Michigan State University, 1963).

³ Lewis Mayhew, "Literature of Higher Education," Educational Record 47, (Winter 1966), 18-49.

colleges?" present, in simplified fashion, these two issues. The answers can be stated in an equally simple manner: (1) those who are admitted will meet the requirements of the institution to which they choose to apply; and, (2) colleges and universities will derive funds for operation from governments, churches, investments, private organizations and individuals, students, and parents, in the forms of appropriations, gifts, grants, profits, endowments, fees, and tuitions commensurate with the particular institution's character and charter. The complexities and relationships of the issues arise when related to specific considerations.

Important to accessibility is a determination of "ability" of the student, which generally is interpreted to mean "ability to succeed" through continuing progress in a program of study in order to attain a final certificate or diploma. Very few colleges and universities wish to expend their resources on a student whose past performances in scholarly endeavor indicate that his tenure will be temporary because his ability to succeed falls short of that required to complete a course of study. Therefore, institutions examine high school or preparatory school records, administer tests to determine whether the student possesses adequate skills and knowledge, and/or interview the student in order to confirm the sincerity of purpose for attending the institution.

A student's place of residence may determine which institution he will attend. Most public institutions tend to serve the people of specific states or communities. The problem of insufficient facilities may make admission to a particular college for any one student more difficult. The necessity of having to live away from home may present added restrictions. Family background or race may affect a student's ability to succeed in college. Such cultural factors may also be responsible for a student's financial inability to attend college.

With regard to financing higher education, the dilemma may be approached in terms of rising costs. A rising economy, with resulting inflation, makes each year's operation more expensive than the last. Two considerations are pertinent here: (1) more students enter institutions of higher education each year;⁴ and, (2) consequent additions to faculty, equipment, and buildings contribute to rising costs. The techniques for assessing the quality of teaching, research, and service performed by institutions of higher

⁴In 1956, approximately 2,656,000 undergraduate students enrolled in degree-credit programs in the United States. The 1966 figure rose to 5,377,000. Projected enrollment for 1976 is estimated at 8,259,000. In 1951, there were 24 college students for each 100 persons 18 to 21 years of age. The 1965 figure for the same age group was 46 college students per 100 persons. Source: Kenneth A. Simon and W. Vance Grant, Digest of Educational Statistics (Washington, D.C.: U.S. Government Printing Office, 1967, FS5.210: 10024-67).

learning have yet to be fully developed. Costs may rise disproportionately to the quality of learning exhibited by students and the level of research and service may deteriorate while expenditures increase. Those organizations and individuals who provide the funds to operate colleges and universities have reason to demand justification for their expenditures. Likewise, the faculties and administrators of whom the demands are made have equal reason to expect acceptance of their judgments of financial need.

The historical progress of American education has demonstrated that education is felt to be the responsibility of society at large. The existence of free public elementary and secondary school systems attests to this. Further proof is that approximately 2300 colleges and universities provide higher education for nearly six million students annually at a cost to the student which is usually below the actual cost.⁵ The financial assistance rendered by governments to institutions of higher education and their students demonstrates that the aim of society is to provide higher education as well as elementary and secondary education at public expense.⁶ The

⁵ See Table 2.2 for a comparison of per-student expenditures and average tuition fee charges.

⁶ Students in public and private institutions of higher education receive government assistance in the form of scholarships, loans, grants, work-study programs, and aid to veterans. Public and private institutions receive government funds for buildings, equipment and libraries. Public institutions receive appropriations for operating expenses.

extent to which governments contribute sufficient funds to meet the needs of the institutions and the demands of those who wish to attend is clearly a matter of public interest. The destinies of private and church-related institutions are the concern of the public by virtue of their contributions to American society.⁷ The publicly-supported colleges and universities, however, are more likely to reflect society's willingness to provide higher education to those who wish to attend college at a cost which even the poorest can afford.

It is normally expected that a student, or his parents if he is financially dependent, will pay for some part of his college education. The actual amounts students or parents pay vary from institution to institution. Even within institutions student costs vary, depending on programs of study, books required, and styles of living. A current concern is that costs of attending college should not prohibit an otherwise able and qualified student from enrolling.

Russell comments: "Careful studies have repeatedly shown that the cost of college attendance is a serious barrier to the continued

⁷A combination of government, private, and religious financial support for higher education was common until the nineteenth century since virtually all colleges were church-related. According to Simon and Grant, Digest of Statistics, approximately 1,500 of the 2,337 (1966 figure) U. S. colleges and universities are private or church-related, and enroll 1,708,965 students.

education of many highly capable high school graduates."⁸

A cursory look at college costs reveals the following possible classifications of expenses necessary to attend college: room, board, tuition, fees, books, class supplies, personal expenses, clothing, and travel. Students attending college must also forego income which might be earned if they were not attending college. While not an actual expense, income foregone constitutes a loss of revenue to the college student and his family which may determine the decision to enter college. Of the financial requirements for college attendance, the items which society has prescribed to be the most appropriate for alleviation have been fees and tuition. Public institutions characteristically charge lower tuition fees than do private and church-related colleges and universities.⁹ Dormitories have tended to provide relatively low-cost housing and meals for students, although they have generally been built to provide housing for students at campuses where private housing is not available in sufficient amounts to meet the particular needs of students attending college for the academic year. Some institutions have fostered stores which offer books and supplies at low costs. Travel for

⁸John Dale Russell in Samuel Baskin, Higher Education: Some Newer Developments (New York: McGraw-Hill Book Co., Inc., 1965), p. 292.

⁹See Table 2.2.

commuters and boarders may account for a considerable portion of the student's expenses.

The costs of attending college, therefore, are of prime concern to a prospective college student and his parents. Student costs are also a concern to college administrators. As operating costs rise, public institutions are forced to request additional funds from state legislatures. When appropriations are less than those requested, institutions must choose between the alternatives of charging higher tuition fees or curtailing operations. The trend has been to increase tuition and fee charges as well as to increase appropriations.¹⁰ In an affluent democratic society such as the United States, geared as it is to the middle-class majority, there is probably little danger that this class will allow fees and tuition to become prohibitively high. However, American society has asserted that education as a public service must be accessible to all segments of society. It is not surprising, then, that increases in student costs have resulted in greater attention to student financial aids.¹¹ When awarding scholarships, most colleges and universities consider a student's financial resources, and with government assistance make considerable effort to provide work-study programs and loans to students in financial

¹⁰See Table 2.2.

¹¹The various types of financial aid are discussed in Chapter II.

need. The implication of such attention to a student's ability to pay his costs illustrates the attempt to provide higher education for all members of American society.

While a few institutions charge neither fees nor tuition, the predominant practice in public institutions is to levy a fee or tuition charge on all students.¹² Colleges and universities have been reluctant to remove the requirement that a needy student pay regular tuition fees. Obviously, if some students pay less in tuition fees, others must pay more. Consequently, the common solution to the problem of the needy student has been to award scholarships, loans, grants, and work programs on the basis of a student's ability to pay.

In July 1967, the Board of Trustees of Michigan State University adopted a schedule of fee charges based on the annual income of a student's parents.¹³ The result was an adaptation of the ability to pay concept to fee schedules. Inherent in the graduated fee schedule policy were both the consideration of access and finance. It was assumed that lower fees for some students would increase the likelihood that they would attend college. Higher fees for others

¹²California junior colleges charge no fees or tuition to in-state residents.

¹³An explanation of the plan is presented in the following section.

would then insure that the financial gap between the amount of the state appropriation and the cost of operation would be filled.¹⁴

The student of higher education could not ignore this unique development at one of the more prestigious and larger universities in the United States. Of immediate interest was the fact that parents would be confronted with a departure from the traditional method of assessing fees at a flat rate for all. The special situation of parents of students at Michigan State University in their roles as taxpayers and voters indicated a need to study their reactions to the new fee schedule.

One significant question, among many others, arose from consideration of the graduated fee schedule: Does a system of graduated fees based on ability to pay tend toward a system of no fees? The need, then, is to develop a philosophically and historically based rationale in order to consider the ramifications of the Michigan State University graduated fee schedule, and to examine the attitudes and opinions of parents of Michigan State University students toward fees and fee schedules.

¹⁴No comprehensive statement of philosophy for Michigan State University's graduated fee schedule has been published. These statements are impressions gained from public comments by proponents of the plan.

The Michigan State University
Graduated Fee Schedule

During the meeting of the Board of Trustees of Michigan State University in July, 1967, a revised policy of required fees for undergraduate students who were residents of the State of Michigan was enacted, effective for the Fall Term, 1967. This policy included a provision that enabled students of Michigan resident parents to apply for a reduction in fees, which would be assessed according to the gross income of the parents as reported in the federal income tax return for the calendar year 1966. Specifically, the policy provided that the fees for all resident students should be \$167 per term for full-time study, unless a copy of the parents' income tax return was submitted with relevant W-2 forms. In such case, the fees would then be assessed at the rate of 1% of annual income, not to exceed \$167 per term, or not lower than \$118. In other words, if the parents' annual income was \$11,800 or lower, the maximum reduction would be allowed and the per-term fee would be \$118. At its October meeting, the Board of Trustees amended the schedule by making the provision that additional children of any family would be charged the minimum fee, no matter what the parents' income. (During the October meeting, provision was also made for self-supporting students in order to accommodate married students and others whose age or special situation made irrelevant a reference to parents'

income. The Board of Trustees subsequently has stipulated that the graduated fee schedule apply to graduate and part-time students.

The graduated fee schedule does not apply to out-of-state students.)

In addition to the general fee, which is payable on the graduated basis if the student and/or his parents elect to apply and qualify, a \$10 application fee is charged to all students. Fees for special programs include a \$65 per-term music fee, and other miscellaneous fees for items such as athletic lockers and band and ROTC uniforms.¹⁵

Definition of Terms

Parents--parents of Michigan State University undergraduate, unmarried, Michigan resident students.

Instructional costs--the costs for instruction, not including costs for room, board, books, transportation, and personal items.

Flat-rate fee--an identical fee charged to all students enrolled full-time.

Graduated fee--a fee assessed on the basis of parents' annual income.

Parental contributions--the amount parents contribute to a student's costs of attending college for one academic year.

Graduated income tax--an income tax assessed at a progressive rate varying with income.

Flat-rate income tax--an income tax assessed at a constant rate.

¹⁵ Information regarding fees is printed in the Schedule of Classes, a quarterly publication of Michigan State University, and The Michigan State University Catalogue, published yearly.

Hypotheses¹⁶

More parents will indicate a preference for the suggestion that students should pay at least a part of their instructional costs than will indicate a preference for no fees.

More parents will indicate a preference for a flat-rate per-term fee than will prefer the graduated fee schedule.

Parents who prefer a flat-rate tuition fee will report higher incomes and higher parental contributions than will parents who prefer the graduated fee schedule.

Parents who prefer the graduated fee schedule will more likely prefer a graduated state income tax than will parents who prefer a flat-rate fee schedule.

Parents who identify themselves as Democrats will more likely prefer the graduated fee schedule than will parents who identify themselves as Republicans.

Parents whose students received a fee reduction will more likely prefer the graduated fee schedule than will parents whose students did not receive a fee reduction.

Rationale for the Thesis

A prevailing belief within the United States is that every American should attend elementary and secondary school. Public taxes provide the funds for operation of schools, and public laws

¹⁶ Hypotheses are restated in testable form in Chapter III.

insist that children attend school until a certain age has been reached. The philosophy of free public elementary and secondary education was reached through some three hundred years of development within the United States. In colonial times, formal education was for those who could afford it. When public concern focused on the problem, paupers' schools were founded for the indigent. In other schools, families were charged according to the number of children attending from each family. Taxation of property gradually became the primary means for supporting elementary schools. Academies and high schools were available in some areas and were operated on a fee basis. There were fewer high schools than elementary schools, since high schools were intended for those few who would continue beyond elementary school.

In the last part of the nineteenth century, legal and philosophical influences justified the use of tax money to operate public schools. During that period, the charging of fees to attend public schools ceased. These developments led to the idea that if elementary and secondary schooling was good for some, it was good for all. It was accepted that if schools were to be operated from public funds, then all of those who wished to attend should be allowed to do so. Laws were enacted which required children to attend school until a certain age. It is now the common conception that all children

should complete a high school education. In 1966, approximately 75% of the population 19 years of age were high school graduates, compared with 62% of the same age in 1956 who were high school graduates.¹⁷

College attendance has now increased to such an extent that between forty and fifty percent of persons between the ages of 18 to 21 are enrolled in higher education. These students are aided in attending college by the establishment of two-year community-junior colleges, four-year colleges, and universities. They are aided by an economy which permits students to forego incomes which might be earned while attending college. They are further encouraged to seek higher education by a society which values college diplomas and degrees. They are financially assisted by public scholarship and grant programs, by government-sponsored loans and by federally financed work-study programs. In contrast to elementary and secondary education, however, higher education remains largely a privilege rather than a right.

Admission policies of many four-year colleges tend to allow only those most likely to succeed in higher education to enter college. Frequently, lower-income families discourage any ambition on the part of their children to attend college because the parents are

¹⁷ Simon and Grant, Digest of Statistics.

convinced that the costs make attendance impossible. Esty asserts that any explanation of student aid does not overcome the shock of hearing that costs may approximate half the family income.¹⁸ Many community-junior colleges and four-year colleges have adopted an "open-door" admission policy under which no resident of the college district or state is denied admission, and, currently, some four-year institutions are disregarding admission policies in order to admit members from minority groups which are placed at a disadvantage because of home and family backgrounds.

The problem of attaining higher education today is not one facing the very able student or the financially well-to-do student. The student who has achieved high grades in high school will ordinarily be welcomed by the institution he chooses and receive financial help if he needs it. The student who has the finances, but a less than outstanding scholastic record, can find a college which will accept him. The student who encounters difficulties is the one who has a marginal high school record, or whose financial resources limit his choice of institutions. While community colleges would seem to be the best answer to this problem, many areas do not yet support a junior college. The junior college student who decides to

¹⁸ John C. Esty, in Education and Public Policy, ed. by Seymour Harris (Berkeley, Calif.: McCutchan Publishing Corporation, 1965), p. 257.

continue beyond the first two years is confronted with the higher cost of a four-year institution for his final two years.

Similarities exist between the development of public support for free elementary and secondary education and public support for low-cost higher education. Basically, these similarities are evident in the recognition given to the social values of education. The constantly growing demand for higher education from citizens, the increasing public support of colleges and universities, and an apparent concern for the culturally and financially less fortunate members of society are indications that higher education, like elementary and secondary education, may become largely a public enterprise. Whatever the reasons given to justify increased public support of higher education, their bases are rooted in a determination to provide higher education to more persons, at a cost which excludes no one. The similarity of the development of public support for public school education and for higher education would be complete if public higher education were offered free to citizens as is a public elementary and secondary education.

The achievement of equal access to higher education at no cost to students does not appear to be imminent. At least two obstacles remain: (1) the idea that some innate or cultural deficiencies prohibit certain persons from succeeding in higher education,

and that those deficiencies cannot be overcome by higher education; (2) the unwillingness of society to furnish the funds necessary to provide higher education free of cost to all of those who wish it. The first of these obstacles is a social and psychological problem which lies outside the immediate concern of this study. The second obstacle is a social and economic issue, and is pertinent.

The practice of charging students for a college education has been justified on the grounds that individual benefits are at least as important as social benefits. Statistics which show that college graduates earn higher incomes than non-college graduates are used to support this argument. The same statistics are used by supporters of low fees for higher education when they point out higher taxes paid by college graduates. Material benefits of higher education to society or an individual are more apparent than esthetic benefits. In any case, low cost, or free higher education does not in itself guarantee equal access to higher education. Cases in point are countries which offer higher education at no cost to their citizens. Unless elementary and secondary education is available to prepare students for higher education, unless physical facilities are available for mass higher education, and unless admission policies allow the masses to attend institutions of higher education, low fees or no fees at all do not result in large percentages of college-educated persons

within a society. But, if all other obstacles to equal access are removed except a high tuition fee, then it can be rightly asserted that the barrier to equal access is the high cost of higher education to the student.

Several factors combine to indicate a movement toward increased access to higher education for all segments of American society. Perhaps the most dynamic development has been the establishment of community-junior colleges, with their open-door admission policies and relatively low student fees. Additional four-year public colleges, higher enrollments, and an increase in the percentage of college-age persons enrolled in higher education are factors which indicate a movement toward increased access to higher education. Significant also is the formalization of awarding financial aids on an ability to pay basis. Financial aid, supported by legislation and government expenditures, has promoted the application of the ability to pay concept to higher education.

The idea that some people can afford to pay more than others for public services and, thus should be charged more is difficult to reconcile with the concepts of American democracy. For example, property taxation is based on the assessed value of property. Presumably, the fact that one owns more property more highly valued than that of his neighbor assumes that he can afford to pay

higher taxes. A clear example of ability to pay came with the adoption of taxes based on income. It had always been realized that some persons could not afford to pay for the necessities of life as easily as others and, to some degree provision was made for the needy. But with acceptance of the income tax, it became clear that American democracy recognized a need to tax citizens according to their ability to pay.

In recent years, government legislation has evidenced a growing concern for the poorer segments of society which has manifested itself in extending social benefits to those previously deprived of certain benefits because of their financial status; such as medical care for the elderly, racially integrated education, compensatory education for culturally deprived children, and equal job opportunities. These trends coincide with aid to college and university students based on ability to pay.

The tendency of colleges and universities is to award all financial aid--scholarships, work opportunities, loans, and grants--on the basis of need. A systematic determination of ability to pay which requires rather complete statements of family financial standing has been generally accepted.¹⁹ A system in which fees are

¹⁹Guidelines of the College Scholarship Service are outlined in a subsequent section.

reduced, based on ability to pay, would seem, from one aspect, to extend the range of financial aid. On the other hand, a graduated fee schedule based on ability to pay forces a realization that some students pay more than others for their education. The complexities of financing higher education and reconciling educational goals with economic values obscures the reality that inequalities in individual monetary contributions to the support of higher education have long existed. Unless each person within the society pays an equal amount in taxes and receives an equal share of governmental services, inequalities will exist.

The award of financial aid on an ability to pay basis requires that some means of determining the extent of the need be developed. Those who wish to qualify for financial help must demonstrate their need. A system in which fees are charged according to ability to pay must also demand some ability to pay test. The dilemma presented by a graduated fee system based on ability to pay stems from the confusion as to whether fees are charges for public service or are a tax upon those who attend public institutions. The difference may be only semantic. Some government services, such as utilities, are commonly charged for on the basis of the amount of service rendered. Others, such as medical care, may be provided partly through taxes and partly through a charge based on the user's

ability to pay.²⁰ Taxes are assessed on the value of property, the value of goods bought, or in the case of income taxes, at either a flat-rate percentage for all incomes or a graduated rate increasing as income increases. A flat-rate tuition fee would appear to be a form of tax. According to this rationale, an extra-charge for certain programs of instruction or use of facilities would be a service charge. A graduated fee schedule based on ability to pay does not clarify the question so long as extra charges for enrollment in certain programs or charges for use of facilities remain fixed.

The significance of a graduated fee schedule based on ability to pay lies in its possible advantages in promoting increased access to higher education. Opposition to the Michigan State University system has been in some quarters vociferous. The 1968 Michigan Republican Party Platform strongly disfavors the system:

. . . Since the funds to support public facilities are already obtained to a large extent on the basis of income, tuition charges based on income levels thus represent double discrimination. Furthermore, the MSU plan constitutes an

²⁰ A 1965 Michigan law provides that families of mentally retarded persons receiving care and maintenance from the state shall be subject to a monthly liability based on family income. See Mental Health Statutes (Lansing, Michigan: Legislative Service Bureau, 1967), p. 52.

unwarranted invasion of privacy by forcing disclosure of parents' income to university employees. . . .²¹

The broad question from which this study stems seeks to explore the question of whether fees charged according to ability to pay are consistent within development towards free higher education.

Overview

The historical development of the philosophies surrounding fees and fee schedules in American higher education is closely related to the progress of publicly-supported education in the United States as well as to contemporary needs and ideals. In chapter two, documentation is presented showing the basis for the American tradition of low tuition fees in American colleges and universities by presenting the early development of publicly-supported education in this country and by looking at the nature of student charges in the early colleges. The ramifications of the Morrill Act of 1862 will also be discussed. Included in chapter two is a presentation of the methods and means of charging tuition fees. The current

²¹From the section on Education from the 1968 Michigan Republican Party Platform, available from Republican State Central Committee Headquarters, Lansing, Michigan.

financial situation of colleges and universities will indicate the crisis in the conflict between public support and student charges which evolves around the question as to whether institutions are to provide access to higher education for all. The arguments for high tuition and those for low tuition are then discussed. Student aids are closely related to the problem of student charges, and a discussion of scholarships, loans, work programs, and grants will provide insight into the advantages and disadvantages of each. Because there is an interest in the tuition fees charged by countries other than the United States, a brief look at the charges made by colleges and universities in six countries abroad is included. The second chapter concludes with reviews of three recent studies which bear some similarities to this one.

The general design of the questionnaire study of Michigan State University parents' attitudes and opinions toward fees and fee schedules is outlined in chapter three. An introduction to the population studied and an explanation of the methods used to draw the sample are also presented. The questionnaire is examined so that the variables may become evident. Hypotheses are restated in chapter three, along with the plan for analysis.

Chapter four contains the formal presentation of analysis of the data gathered by the questionnaire. The results of statistical

analysis will indicate acceptance or rejection of the hypotheses. A final chapter will summarize the entire study and present its conclusions and implications.

CHAPTER II

REVIEW OF LITERATURE

The Early Development of Publicly-Supported Education

The heritage of western civilizations has included the assumption that education should be a public as well as private responsibility. The ancient Greek, Roman, and Mohammedan civilizations provided the principle that governments, in some manner or means, should ensure that some degree of educational processes were carried out.¹ As Christianity spread, both the church and the state assumed societal responsibility for education. Although many changes took place in the character and content of education through the centuries preceding the founding of the American republic, the people of the New World found it necessary to formulate an educational

¹A concise history of education is contained in the now classic work by Ellwood P. Cubberley, The History of Education (Boston: Houghton Mifflin Co., 1920). An additional source for this section is William E. Drake, The American School in Transition (New York: Prentice-Hall, Inc., 1955).

policy commensurate with the democratic ideals that were to be the basis of the new republic.

Harvard College was founded in 1636 by the General Court of Massachusetts (legislature), some sixteen years after the Puritans set foot on their new land. The purpose was to perpetuate learning and insure an educated ministry to the churches after "our present ministers shall lie in the dust."² The General Court was not neglectful of the preparatory education necessary to provide students for their college, and also, the education necessary to ensure that children were being trained "in learning and labor and other employments . . . profitable to the Commonwealth"; and that children were being taught "to read and understand the principles of religion and the capital laws of the country."³

Cubberly's comment on the early legislation in the Massachusetts Bay Colony is pertinent: "It can be safely asserted, in the light of later developments, that the two laws of 1642 and 1647 represent the foundations upon which our American state public-school systems have been built."⁴ The fundamental principles which underlay

² First Fruits: The Founding of Harvard College (Printed in London for Henry Overton in 1643. Available in Microprint.)

³ Massachusetts: The Law of 1642.

⁴ Cubberly, History of Education, p. 366.

this legislation were outlined by the historian of the Massachusetts school system, George Martin:⁵

1. The universal education of youth is essential to the well-being of the state.
2. The obligation to furnish this education rests primarily upon the parent.
3. The State has a right to enforce this obligation.
4. The State may fix a standard which shall determine the kind of education, and the minimum amount.
5. Public money, raised by general tax, may be used to provide such education as the State requires. The tax may be general, though the school attendance is not.
6. Education higher than the rudiments may be supplied by the State. Opportunity must be provided at public expense, for youths who wish to be fitted for the university.

Although American education would be continually influenced by European practices, these laws and their inherent principles marked an early departure from the European traditions and were a predominant influence on the pattern of public support and encouragement of universal education in the United States.

Before the direction of the American system could be clearly drawn, however, some battles needed to be won, as Cubberly puts it. Cubberly lists seven strategic points "in the struggle for free, tax-supported, non-sectarian, state-controlled schools in the United States":

⁵George H. Martin, The Evolution of the Massachusetts Public School System (New York: Appleton and Co., 1897).

1. The battle for tax support.
2. The battle to eliminate the pauper-school idea.
3. The battle to make the schools entirely free.
4. The battle to establish state supervision.
5. The battle to eliminate sectarianism.
6. The battle to extend the system upward.
7. Addition of the state university to crown the system.

According to Cubberly, it was clearly recognized by 1825 on the part of thinking men that the only safe reliance of a system of state schools lay in the general and direct taxation of all property for their support. The watchword was, "The wealth of the State must educate the children of the State." There were arguments that tax-supported schools would be dangerous for the State, harmful to individual good, and thoroughly undemocratic. Many did not see the need for schools at all.⁶

The pauper school idea was a carry-over from England, belonging to a society based on classes, and was wholly out of place within the doctrine that "all men are created equal." The battle ground of the pauper school was to be Pennsylvania and New Jersey, where the pauper schools were finally eliminated in 1834 and 1844

⁶Cubberly, History of Education, pp. 676-677.

respectively.⁷ Still, the schools were not entirely free. Schools had been subsidized since colonial times with another import from England, the rate bill. Rate bills were charges levied upon parents according to the number of children each parent sent to school. Pennsylvania eliminated use of the rate bill in 1834, but it was carried on as long as 1869 in Michigan, and 1871 in New Jersey.

With general acceptance that schools should be free to all and operated from tax money, the stage was set for more sophisticated development. New York was the first state to exercise supervision over its schools with the creation of the office of State Superintendent of Common Schools in 1812. It is significant to mention that Michigan and Kentucky were the first states to create offices for state school supervision which have continued without major change since their inception in 1837.

To establish a date of elimination of sectarianism in American education would be premature. An elaboration of the church-state issue in American education would easily fill several volumes, even if one were to eliminate modern day controversies. Perhaps

⁷The 1790 constitution of Pennsylvania provided for a state system of pauper schools. In New Jersey, a legislative act of 1820 permitted taxes to be levied "for the education of such poor children as are paupers." In both states the paupers' schools were replaced through legislation which provided for education of all children in a public school system.

to Cubberly in 1920, it appeared that the issue was solved. That sectarianism was an issue in the early development of public education in America is not denied. Church-state issues, however, continue to confront educators and legislators. Contemporary church-state conflicts have ranged from school prayers and busing, to aid for church-related colleges and their students. Judeo-Christian ideals are seemingly as important to the mainstream of American society as is democracy. It is not clear that this battle is over.

The elementary schools which had been established in the different states by 1850 supplied a common school education to the children of the masses. Beyond that, education was provided by semi-private institutions--academies and colleges--in which a tuition fee was charged. The evolution of the high school from the early Latin grammar schools, and later, the academies, was similar to the pattern followed in the establishment of free elementary schools. The first high school was founded in 1821 in Boston. A Massachusetts law of 1827 required every town having 500 families or more to establish a high school in which specified subjects would be taught. Strong opposition to legislation requiring the establishment of high schools occurred in several states attempting to follow the Massachusetts example. The clearest legal decision came from a test case in Kalamazoo, Michigan, in 1874 in which the Michigan Supreme

Court ruled that use of tax monies to support public high schools was justifiable. The Kalamazoo case deeply influenced high school development in the Upper Mississippi Valley states, and with the Massachusetts model, led to the eventual establishment of the twelve-grade system.

While the battles for high schools and universal free elementary and secondary education were being fought, the state university was being added to the system. Twenty-four colleges existed by 1800, and it has been estimated altogether they did not have over one hundred professors and instructors, and not less than one thousand or more than two thousand students. Total property value did not exceed a million dollars. None admitted women.⁸ The early colleges followed Harvard's example and operated to provide ministers. They were related to and to some degree supported by religious denominations.

The 19th century saw a phenomenal surge to establish additional denominational colleges, particularly in the new states to the west, but the significant happening was the establishment of the state universities. In 1816, New Hampshire tried to transform Dartmouth

⁸ Sources of historical material on colleges and universities are: Charles F. Thwing, A History of Higher Education in America (New York: Appleton and Co., 1906), and Frederick Rudolph, The American College and University: A History (New York: Alfred A. Knopf, 1962).

into a state institution without success, after a U. S. Supreme Court decision in 1819 ruled that the charter of a college was a contract which the legislature could not impair. The University of North Carolina became a state university in 1821; the University of Vermont shifted from private to public status in 1838. The newer states provided for state universities in their first constitutions. The University of Indiana came into being in 1820, because the new constitution had made provision for it four years earlier. Alabama provided for a university in its constitution of 1819. Michigan made careful provision for a university in its 1835 constitution, after an abortive attempt to establish a territorial university system in 1817. Newer states followed these examples and the four-year college was added to the twelve-grade system. As the colleges added graduate education, the American system of publicly-supported education from elementary school through graduate school had achieved its design.

The Nature of Student Charges in the Early Colleges

The early colleges were religiously inspired, and churches and their members contributed to the expenses of establishing and operating the colleges. Legislatures appropriated funds, as did towns. Lotteries were a common way of raising money. The early colleges were small and relatively inexpensive to operate. Often,

the president was the only faculty member for the one to twenty member student body. New buildings required large single outlays, but salaries and maintenance were continuing expenses. The charging of tuitions and fees was a common practice. The amount charged the student was always less than the actual cost of his education, but the student was responsible for paying some part of it. Thwing lists the student costs for attending college at Harvard in the early decades of the nineteenth century as follows:⁹

Steward and Commons, including board for thirty-eight weeks, at \$2.50 per week	\$105.00
*Instruction, two first years \$46, third year \$64, fourth \$74, average	57.50
Room rent	12.00
*Library	4.00
Text books	15.00
Wood	20.00
*Fuel for lecture rooms, repairs, catalogues, etc.	15.00
Patron	6.00
*College Quarter Bills	234.00
Clothes, including every article of dress ... \$120 to	200.00
Laundress	12 to 24.00
Candles or oil	10.00
Servant	6 to 20.00
Pocket money	26 to 52.00
Total	\$408 to \$540.50

*These items might be considered as falling under the contemporary category of fees and tuition.

⁹Thwing, History of Higher Education, p. 401.

The 1817 attempt to set up a University of Michigania, while Michigan was still a territory, was an act adopted by the governor and judges of the territory. Although a university was not founded under that act, its provisions included student charges for instruction: not to exceed \$15 for a course of lectures, \$10 a quarter for classical instruction, and \$6 a quarter for "ordinary instruction." The act provided that, if the judges of a county court should certify that any person lacked adequate means to defray the expense of suitable instruction, "the honorarium shall be paid from the Treasury of Michigan."¹⁰

The 1816 Indiana constitution, in providing for township schools and a state university, promised ". . . to provide by law for a general system of education, ascending in regular graduation from township schools to a state University wherein tuition shall be gratis, and equally open to all."¹¹

It should be noted that the early colleges experienced difficulties in recruiting students to attend, which was another reason, particularly for the private colleges, to set nominal tuition rates.

¹⁰ Willis F. Dunbar, The Michigan Record in Higher Education (Detroit: Wayne State University Press, 1963), p. 26.

¹¹ Ben Perley Poor, The Federal and State Constitutions, Colonial Charters, and Other Organic Laws of the United States, Part I, Art. IX, sec. 2 (Washington: 1878).

At times, there were seemingly more colleges than students to attend them. Forty-five colleges were chartered in Ohio prior to 1850.¹² Another reason that tuition fees were low, particularly in the newer states, was the poverty that existed. The initial funds to establish a college very often came from the East.

When the University of Michigan was established by legislative act in 1837, it was stipulated that an admission fee of \$10 was to be charged, and that the institution was to be open to all residents of the state without charge for tuition. Similarly, when the legislature established the Agricultural College of Michigan, now Michigan State University, in 1855, tuition was to be free to citizens of the state.¹³ It is interesting to note that neither of these two Michigan institutions have ever charged tuition to residents of the state. Both have maintained careful semantic differentiations between the words tuition and fee. Out-of-state students are charged tuition and fees. In-state students are charged only fees.

Of the reasons for maintaining low, or no tuition during the days of the early colleges, the overriding reason was the idea that education was a public responsibility. Whether exercised through governments, churches, towns, societies, or private individuals,

¹²Dunbar, The Michigan Record, p. 54.

¹³Ibid., p. 92.

it was clear that it was not the student's responsibility alone to pay the bills. Rudolph's statement is pertinent:

From the beginning the American college was cloaked with a public purpose, with a responsibility to the past and the present and the future. The college was expected to give more than it received--not more than it received from the society which it served, but more than it necessarily received from the particular young men who were being prepared to do society's work. The college was not to be an institution of narrow privilege. Society required the use of all its best talents, and while it would, of course, always be easier for a rich boy than a poor boy to go to college, persistence and ambition and talent were not to be denied.¹⁴

The Morrill Act of 1862 and the Establishment
of the Land-Grant Colleges

As early as 1848, Congressman Justin Smith Morrill of Vermont had suggested a revision in the curricula of the American colleges more nearly suited to the agrarian needs of the nation. His bill, first submitted in 1857, and passed in 1862, provided grants of land to states which would establish one college "where the leading object shall be, without excluding other scientific or classical studies, to teach such branches of learning as are related to agriculture and the mechanic arts." The impact of the Morrill Act, and the subsequent establishment of the land-grant colleges, provided a curriculum which was palatable and suitable to the needs of the large majority

¹⁴Rudolph, A History, p. 177-178.

of the population, who were then engaged in farming. The result was to encourage the sons, and later, the daughters, of farmers to seek higher education. Because of the comparatively low economic state of farmers, the costs necessarily had to be minimal, which was quite in keeping with the already established American tradition. Perhaps the greatest contributions of the early land-grant institutions lay in their research and service to the agricultural sector; but the efforts to keep students' costs low by providing work programs and scholarships should not be neglected. The highest fees charged by Michigan State University from its founding in 1855 until 1919 were \$7.50 per year.¹⁵

The Morrill Act stimulated the growth of state universities and provided a unique American contribution to higher education. Colleges were liberated from the classical-bound traditions which for so long had characterized higher education. While its original emphasis was on agriculture, its contributions to the industrial classes were soon to be felt as the sons and daughters of farmers migrated to the cities, and the sons and daughters of factory workers found their way to the state colleges and an immediately practical and useful education. To quote Rudolph, the land grant college

¹⁵Dunbar, The Michigan Record, p. 280. See also Madison Kuhn, Michigan State, The First Hundred Years (East Lansing: Michigan State University Press, 1955).

. . . became one of the great forces of economic and social mobility in American society; it brought the government, both federal and state, firmly into the support of higher education. In the land-grant institutions the American people achieved popular higher education for the first time.¹⁶

Methods and Means of Charging Tuition Fees

The meaning of the phrase, "free public education" is rather easily disputed. Even in our elementary and secondary schools, to which the phrase is often attached, there is reason to question just how "free" public education really is.¹⁷ As has been pointed out, in the case of a college education, the student and/or his parents immediately undergo a loss of revenue because of income foregone.¹⁸ Tuition usually implies a charge directly related to the cost of instruction. Fees may mean a charge for several items or services, often not stipulated. A matriculation, or admission fee may be charged. A health fee is common. Fees are levied for laboratory facilities, music lessons or practice rooms, athletic equipment, and bus fares.

¹⁶Rudolph, A History, p. 265.

¹⁷See P. D. Chatterdon, "How Free is Free Education," Michigan Education Journal 42 (October 1964) 22-23.

¹⁸A report on a method for calculating income foregone by Theodore W. Schultz ("Capital Formation by Education," Journal of Political Economy 68 (December 1960) 571-583) is presented by Rudolf C. Blitz in Selma J. Mushkin, Economics of Higher Education (Washington: U. S. Department of Health, Education, and Welfare Bulletin No. 5, U. S. Government Printing Office, 1962 OE-50027).

Recently some institutions have begun to charge fees for construction costs.¹⁹

As costs rise, seemingly so do tuition charges and fees. Dunbar reports that in 1900, the cost of attending college in Michigan was "low, but rising."²⁰ In that year, the University of Michigan literary department charged annual fees of \$30 for Michigan residents and \$40 for non-residents. (The University of Michigan began to charge out-of-state students an extra five-dollar matriculation fee in 1865.) In 1905, the fees for the Law and Medical departments were \$45 per year for residents, and \$55 for non-residents. Michigan State University listed no regular tuition charge at the turn of the century. Tuition at the church-related colleges in Michigan rose from none before 1900 to \$18 at Hope College and \$45 at Adrian College. It is interesting to compare the tuition fee charges with the estimated costs of attending college in the very early 1900's. Estimates taken from the Annual Report of the State Superintendent of Public Instruction for 1901 indicate that a student could attend the University of Michigan for \$340 per year. Michigan State University costs were estimated

¹⁹The charging of fees for capital outlay is reported by John Dale Russell in Samuel Baskin, Higher Education: Some Newer Developments (New York: McGraw-Hill Book Co., Inc., 1965), p. 291.

²⁰The source for tuition figures in Michigan institutions is Dunbar, The Michigan Record, p. 189 et passim.

at \$135.25 per year. Attendance at the normal schools cost between \$125 and \$154, and at the College of Mines (Houghton), \$450.

In spite of the numerous claims that a college education is not a commodity to be bought and sold in the marketplace, its costs vary in accordance with current market prices. Following the First World War, fees at Michigan State University rose from \$7.50 per year in 1918-19 to \$45 for 1919-20, and to \$105 per year in 1923. The years immediately following the Second World War saw another rise in fees. In 1939-40, the fees at the University of Michigan were \$143, and at Michigan State University, \$120. Fees for the respective universities were raised to \$290 and \$180 in 1949-50.

Table 2.1 shows the progression of average tuitions and required fees and the total costs for both public and private colleges and universities in the United States from 1931. The portion of total costs represented by tuition fees is shown as a percentage as well as actual dollar amounts. The trend appears to be in favor of increased amounts in tuition fees, from a low of 10% from 1931 to 1945 for public institutions to a 1967 high of 16%. Private institutions show a gain of roughly 10% in the amount paid for tuition fees, ranging from about 25% through the 1930's and early '40's to a 1967 percentage of 36%.

No universally accepted formula for determining the amounts to be charged for tuition or fees has been devised, probably, because

TABLE 2.1. -- Estimated costs of attending college, per student,
1931-1967

Academic Year	Total Costs		Tuition and Required Fees		% of Total Cost Represented by Tuition and Fees	
	Public	Private	Public	Private	Public	Private
1931	730	960	71	252	10%	26%
1933	750	980	71	251	9	26
1935	770	1,000	75	252	10	25
1937	790	1,020	78	253	10	25
1939	810	1,050	79	256	10	24
1941	830	1,080	82	270	10	25
1943	860	1,120	88	276	10	25
1945	910	1,200	95	280	10	23
1947	960	1,290	125	330	13	26
1949	1,010	1,380	140	396	14	29
1951	1,070	1,480	138	414	13	28
1953	1,130	1,590	137	420	12	26
1955	1,190	1,700	139	438	12	26
1957	1,260	1,820	142	495	11	27
1959	1,330	1,950	164	584	12	30
1961	1,400	2,090	179	676	13	32
1963	1,480	2,240	191	753	13	34
1965	1,560	2,770	222	831	14	30
1967	1,640	2,570	260	917	16	36

Source: U.S. Dept. of Health, Education, and Welfare, "Health, Education and Welfare Indicators, February 1967."
 Reprinted in Standard Education Almanac 1968 (Renetzky, Alvin, ed.) Los Angeles: Academic Media, Inc., 1968.

of a refusal on the part of most educators to place a dollar-figure on a college education. The individual amount of tuition fees reflects the total amounts institutions need to provide their programs, over and above other income received. Presumably, there is some limit to the amount a college or university can charge in tuition fees.

While many factors account for a decision on the part of students to attend certain institutions, it would seem that the adoption of exorbitantly high charges would almost certainly result in a drop in enrollment for any college or university. The question, of course, is "How high is too high?"

Of the numerous expenses a college student faces, room, board, and tuition fees are generally the three most expensive items. Table 2.2 shows the estimated average charges to full-time resident undergraduates for 1956-57, 1966-67, and projected charges for 1976-77, in constant 1967 dollars. The percentage increases show increased costs of tuition and fees for the three academic year periods. Significant to note is the high increase for dormitory rooms which reflects rising building costs. The table also shows the average expenditure per student in the public and private institutions. The student education column combines both 4-year and 2-year institutions, but the percentage increase of each is reflected in the percentage increases of the total costs. Tuition fee increases exceed

TABLE 2.2. -- Estimated average charges to full-time resident degree-credit undergraduate students and current expenditure for student education per full-time equivalent student by type and control of institutions of higher education: United States 1956-57 to 1976-77¹

(Student charges are for academic year, current expenditure for fiscal year, both expressed in constant 1966-67 dollars)

Year and Control	Total Tuition, Board and Room		Tuition (Includes Required Fees)	
	Amount	% Increase	Amount	% Increase
<u>1956-57</u>				
Public 4 Year	883		211	
Public 2 Year	637		88	
Non-Public 4 Year	1,504		714	
Non-Public 2 Year	929		322	
<u>1966-67</u>				
Public 4 Year	1,071	21%	299	42%
Public 2 Year	684	7%	110	25%
Non-Public 4 Year	2,164	43%	1,273	78%
Non-Public 2 Year	1,644	77%	836	160%
<u>1976-77</u>				
Public 4 Year	1,285	20%	394	32%
Public 2 Year	770	13%	132	20%
Non-Public 4 Year	2,828	30%	1,825	43%
Non-Public 2 Year	2,273	38%	1,325	58%

¹Source: Projections of Educational Statistics to 1976-77, prepared by K. A. Simon and Marie G. Fullam, U. S. Office of Education (Washington, D. C.: U. S. Government Printing Office, 1968), OE-10030-67.

TABLE 2.2. -- Continued

Board 7-Day Basis		Dormitory Rooms		Current Expenditure for Student Education per Full-Time Student ²	
Amount	% Increase	Amount	% Increase	Amount	% Increase
484		188		1,204	
417		132			
530		260		1,142	
433		174			
460	- 5%	312	66%	1,388	15%
374	-10%	200	52%		
517	- 2%	374	44%	1,782	36%
488	-13%	320	84%		
460	No Change	431	38%	1,558	11%
374	No Change	264	32%		
517	No Change	486	30%	2,450	37%
488	No Change	460	44%		

²"Student education" encompasses general administration, instruction and departmental research, extension and public services, libraries, and operation and maintenance.

the percentage increase for student expenditures considerably, reflecting a lack of revenue from other sources.

A study by Goodwin in 1934 on trends of student fees indicates some correlation between the rise of fees and rise in enrollments. It was found that increases in student fees were not followed by decreases in enrollment, and practically never by a decrease in total income from students. Unfortunately, the Goodwin study has not been brought up to date.²¹

Tuition fees are not, and never have been levied for the "good of the student." There is little evidence that students learn better because they pay for a part of their learning. The contention is often made that students "appreciate their education more," by virtue of having to struggle financially to earn it. There is some reason to believe that the cost of education in terms of both time and money regulates the income of college graduates. The relatively high incomes of physicians, for example, are often justified on this basis. However, lower incomes received by graduates of similar professional programs, and differences in incomes of graduates of four-year undergraduate programs, indicate that the salaries paid in various vocations are set by demand, rather than difficulty or cost

²¹ Cited in John Dale Russell, The Finance of Higher Education (Chicago: University of Chicago Press, 1954).

of preparation. Tuition fees are levied, not because the students need to pay, but because the institutions need the money.

The Financial Plight of Colleges and Universities

The economic conditions of higher education and the institutions comprising the enterprise present complexities which command the attention of educators and economists. A considerable amount of material is available to an administrator or researcher.²² The costs of higher education on the basis of per-resident student have risen and continue to rise more than the price level of the economy in general. Higher costs are attributed to an attempt to lower the faculty-student ratio, to improvement of the general product of undergraduate work through more sophisticated teaching and learning processes, to the higher costs of building and equipment, to the trend to costly graduate work, to the increasing emphasis on research, extension, and related activities, and perhaps most importantly, to increasing enrollments. Harris notes that per resident and general incomes of

²² Sources for this section include: M. M. Chambers, Financing Higher Education (Washington: Center for Applied Research in Education, 1963); Roger Freeman, Crisis in College Finance? Time for New Solutions (Washington: The Institute for Social Science Research, 1965); John D. Millett, "The Role of Student Charges," in Financing Higher Education 1960-70, ed. by Dexter M. Keezer (New York: McGraw-Hill Book Co., Inc., 1959); Selma Mushkin, Economics of Higher Education; John Dale Russell, Finance of Higher Education.

colleges and universities have not fully reflected gains in the rising standard of living in the nation. He asserts that this may be explained by "an unwillingness of the nation to support its colleges as much as other services and markets."²³

Russell suggests that colleges and universities may be able to meet the problem of increasing costs through better plant-space utilization, more efficient instructional programs, mechanization of processes, and stronger reliance on institutional research.²⁴ Harris is pessimistic in this regard, however, and remarks that "academic men and women do not accept new methods tending to reduce costs with great enthusiasm."²⁵ The continuing, and seemingly increasing tendency on the part of faculties to demand more involvement in administrative decision-making, particularly those decisions affecting funds, would indicate that any economies may be difficult to achieve.

Economists of higher education do not expect that endowments and gifts will increase at an equal pace with costs during the next decade. There is general agreement that needed funds will have

²³ Seymour Harris, Higher Education: Resources and Finance (New York: McGraw-Hill Book Co., Inc., 1962), p. 4.

²⁴ John Dale Russell in Samuel Baskin, Some Newer Developments, pp. 281-284.

²⁵ Harris, Resources and Finance, p. 18.

to come from two sources: taxes and student charges. Currently, student tuition fees account for a national average of about 20 percent of the total general educational program expenditures in publicly-supported institutions, and about 60 percent in private colleges and universities. Taxes provide from 70 to 75 percent of the educational expenditures in publicly-supported institutions. If this ratio continues, revenues from both sources will have to increase at a rate proportionately higher than the rate of growth of the gross national product in order to meet the projected financial needs of higher education. The only alternative to meeting higher costs is to limit enrollments, services, or research. It is not likely that many institutions will elect to enforce such curtailments. The prospect of higher tuition fee charges, particularly in public institutions, then, becomes a matter of immediate concern. The lines have been drawn between the advocates of high tuition fees and the proponents of low tuition. The next section presents the content of their arguments.

Contemporary Arguments on Tuition Fees

John D. Millett, former president of Miami University (Ohio), stated succinctly the dichotomous viewpoint regarding tuition:

There are two fundamental ways in which to look at higher education. One is to regard opportunity for the educational development of youth as a social necessity. The other is to regard higher education and indeed all education as an individual desire. If we adopt the first point of view, higher education as a social necessity,

then it follows that we shall seek the maximum necessary social expenditure to provide educational opportunity. If we accept the second point of view, higher education as an individual desire, then it follows that we should consider education as another service to be bought and sold in the market place.²⁶

In general, the proponents of high or actual cost tuition fees follow Millett's second view, and those who propose low or no tuition fees voice the first view. An exposition of the arguments is basic to this study.

The Argument for High or Actual Cost Tuition Fees

Seymour Harris is a proponent of high tuition and states his case:

Many contend that it is wrong even to discuss the relation of a college education and the material gains to be had from it, for this results in the wrong kind of emphasis. But though most of us would weigh the nonmaterial gains of higher education above the material, it still seems to many of us that in determining a pricing system we should take account of what the student derives from this investment in future income.²⁷

Among the studies and statistics which show that a student does benefit financially from a college education, Innes, Jacobson, and Pellegrin documented the evidence that income increases with years of formal education, and that those relationships have persisted.

²⁶ Millett, in Financing Higher Education 1960-70, p. 167.

²⁷ Seymour Harris, Higher Education in the United States (Cambridge, Mass.: Harvard University Press, 1960), p. 9.

The same study showed that the person with the most education profits most from years of job experience, and that lifetime income increases as education increases.²⁸

On the basis of the 1960 census, Miller calculated that a college education was worth roughly \$170,000 over a lifetime.²⁹ The Tax Foundation, a private New York corporation, reasoned as follows in 1966: "Since private returns (from a college education) are substantial, the individual who receives the benefits may appropriately bear a large share of the costs."³⁰

Privately-supported colleges and universities, and their supporters, urge high tuition in publicly-supported institutions in order to avoid a loss of students to the lower-cost public colleges and universities. Those who serve as faculty members and administrators in the private institutions do not wish to encourage a homogeneous student population made up of children from wealthy families.

Perhaps the most convincing argument in favor of high tuition is based on the unavailability of other resources. According to most

²⁸Jon T. Innes, Paul B. Jacobson, and Roland J. Pellegrin, The Economic Returns to Education (Eugene: University of Oregon, 1965).

²⁹Herman P. Miller, "Annual and Lifetime Income in Relation to Education: 1939-1959," The American Economic Review, (December 1960).

³⁰Public Financing of Higher Education (New York: Tax Foundation, Inc., 1966), p. 43.

economists, public institutions will find government appropriations below that needed to maintain low tuition if current levels are maintained. With lagging contributions from alumni and other individual and corporate donors, both public and private institutions would be forced to charge higher tuition fees. If governments were to provide adequate funds to enable public institutions to maintain low tuition fees, Harris contends that students of low income parents would be left without a choice between a private and a public college or university.

The Argument for Low or No Tuition Fees

The case for low tuition or no tuition is based largely on the early constitutional guarantees and the advantages to society presented by a population containing a large number of college-educated citizens. Another case is made in reference to those who are deprived of a college education because of the high costs. Muirhead makes the following observation:

Various studies suggest that about 150,000 high-school graduates of outstanding ability fail each year to continue their education. From 60,000 to 100,000 of these students stop because they cannot surmount the economic hurdle of the cost of higher education.³¹

³¹Peter P. Muirhead, in Education and Public Policy, ed. by Seymour Harris (Berkeley, Calif.: McCutchan Publishing Corporation, 1965), p. 89.

Renshaw substantiates the observation: ". . . it has been suggested that half of our high-school graduates who possess the ability to do college work but do not go on to college fail to do so for financial reasons."³² Goldthorpe refers to the 1960 census in pointing out that 4,729,000 families with four or more children were recorded, 46% of which had incomes of under \$5,000.³³ Taking issue with Miller on his finding that a college education is worth \$170,000 over a lifetime, Freeman agrees that such a finding does seem to make a powerful argument both for attending college and making the student pay for it. But he also adds:

That college students have a higher income does not prove that they owe all or most or even any of it to their college attendance. They could be making more money due to the same traits that caused them to earn a college degree in the first place: such as greater intelligence and drive, ambition, determination, stricter working habits. Also, college graduates tend to come from a higher socio-economic background and may have had their way eased by relatives or have inherited businesses or fortunes.³⁴

James Morgan and Martin David attempted to isolate the effect of education from other income-related factors and concluded

³²E. F. Renshaw, "Essay Review of Seymour Harris' Higher Education: Resources and Finance," School Review 71 (Winter 1963), pp. 493-502.

³³Harold Goldthorpe, in Education and Public Policy, p. 268.

³⁴Freeman, Crisis in College Finance?, p. 86.

that a bachelor's degree is worth only between \$10,150 and \$17,050 in lifetime earnings for white males.³⁵

A further argument in favor of low or no tuition fees is a rejection of the values of certain financial aids, a subject which is discussed in a subsequent section.

Proponents of low or no tuition express the opinion that tax sources insure access and opportunity for those who would not attend if tuition rates were high. An example of the position taken by some advocates of low or no tuition is stated by Chambers:

It is possible to think of school or college attendance, not as a privilege for which the student must pay, but as a form of public service (much like military service) to which he is morally obligated if he is adjudged physically and mentally fit for it. Under this view higher education is worth its full cost to the state and the nation in terms of its results in enhanced national security and the building up of the national economy. Probably no one supposes that college and university attendance should be made compulsory, but there is a very serious question as to whether any barriers--in the form of fees--should be maintained at the campus gates.³⁶

A 1963 report by Shaffer and Dressel of Michigan State University was based on a study of the financial aspects of undergraduate student life at Michigan State. Shaffer and Dressel concluded:

". . . increases in tuition and fees must be regarded as placing a

³⁵James Morgan and Martin David, "Education and Income," The Quarterly Journal of Economics LXXVII (August 1963), pp. 423-438.

³⁶M. M. Chambers, Financing Higher Education, p. 28.

major handicap upon or thoroughly discouraging the prospective college student who has available only limited resources."³⁷

Discussion

In a study conducted by Harris prior to 1962 in preparation for his book, a questionnaire requested the opinions of economists in regard to the effects of doubling tuition by 1970. Two hundred twenty economists from the 350 who received the questionnaire replied, and Harris reports the consensus as follows:

They agree that total effects on enrollment of a 100 per cent rise of tuition by 1970 would be small. Net effect would depend on growth of per capita income and aid. But the average student would come from higher-income families; substantial numbers at the margin economically would be excluded; the trend would be toward public institutions of higher learning, toward institutions of higher learning located near home, against Negroes, women, and nonresident students in state institutions of higher learning, and against institutions of higher learning in poor regions. The private institutions of higher learning would tend to have a bimodal distribution: very rich and very bright. The second-rate private institutions of higher learning would be destroyed according to some and helped in the views of others.³⁸

Both sides of the low/high tuition fee question relate to the high degree of affluence in the United States. Cox shows that

³⁷James D. Shaffer and Paul L. Dressel, Expenses and Sources of Income of Michigan Resident Michigan State University Students (East Lansing: Office of Institutional Research, Michigan State University, 1963). This publication was prepared from the study by Shaffer, Financial Aspects of Student Life.

³⁸Harris, Resources and Finance, p. xxv. See also pp. 159-163.

discretionary income (i. e. , that portion of income which is not committed to a particular purpose and which is available to be spent or saved at the discretion of the recipient) is growing at a rate faster than personal income for Michigan residents.³⁹ Advocates of tuition charges near the actual cost of instruction use such data to argue that parents should pay more in tuition costs because they are able to pay more. Similarly, those in favor of low tuition say that the economy can well afford to pay more in taxes in order to keep tuition fees low. Their strongest point is the needs of lower income families, but low tuition proponents also contend that discretionary income is better spent on education than real commodities, since the potential return from increased earning of the recipients of higher education is of greater benefit to the economy.

Russell concludes his remarks on student fees as follows:

It seems probable that privately controlled colleges and universities will generally continue to obtain at least the present percentage of their total support from student fees. To do this, while the cost per student continues to rise, will mean that most privately controlled colleges and universities will increase their charges to students. As in the past, increases in the rate of fees charged will to some extent be offset by expansions in the program of financial assistance to students in the privately controlled institutions.

There is a possibility that locally controlled junior colleges or community colleges, maintained as a part of local public

³⁹Eli P. Cox, "Discretionary Income and Higher Education," The Michigan State Economic Record 9 (November 1967).

school systems, will increasingly adopt the policy of keeping tuition charges at a minimum or of charging no fees at all. Among some leaders in state universities and colleges, there is a tendency to try to hold the line against further increases in fees for residents of the state or even to advocate reductions in fee charges. The fees charged in publicly controlled institutions for non-residents of the state, however, may be expected to increase very substantially. If past trends continue, members of the state legislatures can be expected to continue to bring pressures on the publicly controlled colleges and universities to obtain maximum support from sources other than appropriated tax funds and to suggest increases in student fees rather than increases in appropriations.⁴⁰

Financial Aids Today

A study of public concepts of the values and costs of higher education reported by Campbell and Eckerman showed that of 1310 respondents, 506 expected to send one or more children to college. When asked if they had any money saved up for this purpose, 50% of the 506 answered no. Of those who maintained that they had an education fund, the average savings amounted to \$378. The study indicated that many students and parents must use financial aids while the student is enrolled.⁴¹ Today, more financial aids are available than ever before to assist students in ways they themselves, or their parents, cannot.

⁴⁰ Russell in Baskin, Some Newer Developments, p. 293.

⁴¹ Angus Campbell and William Eckerman, Public Concepts of the Values and Costs of Higher Education (Ann Arbor: Survey Research Center, Institute for Social Research, University of Michigan, 1964).

Scholarships

The oldest financial aid is the scholarship. Generally the scholarship is a stipend of a set amount intended to help the student defray college costs. Its name implies that its award is based on some unusual academic achievement, although scholarships do exist which do not presume high ability for success. More generally, however, scholarships make some stipulation for minimal achievement in respect to grades, usually substantially higher than the minimum required for continuance as a student.

Loans

Although parents have been borrowing for years in order to see their children through college, a fairly recent development has been the student loan, in which the student obligates himself to repay the loan after he graduates. The Guaranteed Loan Program of the Higher Education Act of 1965 (federal) enables students to borrow from banks, credit unions, savings and loan associations and other commercial lenders with loans guaranteed by the states, by a private, non-profit agency within a state, by a combination of the two, or by the federal government. The National Defense Education Act provides loans for prospective school teachers with a forgiveness clause of up to half the amount of the loan if the recipient teaches after leaving college.

Work Programs

Student work programs are as old as the manual labor plans used in the 1800's by colleges in which students were either required to assist with maintenance chores, or could earn a portion of their sustenance by working for the college. Institutions regularly make student jobs available. The federal government, through the College Work-Study program,⁴² encourages student employment opportunities. Students must qualify for the work-study program through submission of family financial information.

Grants

Grants, like scholarships, are stipends, but unlike scholarships, usually do not make a requirement for past or continuing achievement of high grades. Grants in small amounts have been available to undergraduates, but with the Higher Education Act of 1965 (federal), students may receive grants up to \$800 a year. An additional \$200 incentive grant is allowed to members of the top half of their high school graduating classes. The Educational Opportunity Grants are generally reserved for students from very-low income families.

⁴² Supported by provisions of the Economic Opportunity Act 1964, and Higher Education Act 1965 of U.S. Congress. In 1965-66, 185,000 students earned an average of \$700 each.

College Scholarship Service

Colleges and universities usually designate a staff member as financial aids advisor, and if the student population warrants, there may be several officers assigned to assist students in acquiring financial aid. The College Scholarship Service, a division of the College Entrance Examination Board, Princeton, New Jersey, offers forms and methods for determining the actual needs of a student, once family resources, including parents' income, are submitted. The financial aids counselor uses the guidelines of the College Scholarship Service to determine what portion of the student's needs can be provided by the various aids available to the student.⁴³

Discussion

Arguments for and against the various forms of financial aids are continually raised, and upon examination, the arguments tend to reflect political as well as educational philosophies. One objection to scholarships as a means to solve all students' needs is the requirement for past, and continuing high academic achievement. It is pointed out that many of the most needy students are those who

⁴³ An explanation of College Scholarship Service and its guidelines is contained in Financing a College Education, A Guide to Counselors (Princeton, N.J.: College Entrance Examination Board, 1966).

do not qualify for scholarships, and are not likely to achieve grades sufficiently high enough to earn a scholarship after initial enrollment. Eugene Powers, a former regent of the University of Michigan, and an advocate of low tuition, voices an argument against awarding scholarships on the basis of need: ". . . such a program would become a welfare operation pure and simple, and the stigma of the pauper's oath would be placed on the student in need."⁴⁴ Students from well-to-do families are often disappointed to learn that they qualify academically for a scholarship, but not on the basis of need; therefore, the distinction of attending "on scholarship" is denied.

Loans have been advocated as the "American way": if it is all right to borrow for material wants and needs, it is certainly all right to borrow for a college education, particularly in view of the potential for increased earnings. Opponents point out the disadvantage to a generation which is forced to pay for its own education shortly after graduation. Russell makes a point by saying: "The preceding generation--after getting its education at the expense of the generation that preceded it--has failed to provide for the education of the following generation." This asserts Russell, is abandonment of a

⁴⁴Eugene Powers, "Low-Tuition Principal for Public Higher Education," National Education Association Journal (January 1963), pp. 61-62.

centuries-old tradition.⁴⁵ The pragmatist argument might retort that providing education to upwards of 50% of the college-age population is also tradition-breaking and calls for some changes. The interesting facet of the loan program is, however, that those who take loans usually come from the lower income brackets or from large families. The obligation to repay the loan encourages a slower rise in taxable and discretionary income. It is argued that loans discriminate against women, and present the possibility of the "negative dowry." Others view loans as "indenturing" the "educable masses." Chambers says there is a difference between borrowing for educational expenses and borrowing for the purchase of real property or durable goods because the lending agency cannot repossess the "goods."⁴⁶

Work programs are also hailed as an American tradition, respected by all, or almost all. The working student may find his role less desirable than that of the student who does not work, but the graduate who "worked his way" is the one who gets hired, or so the legend goes. The difficulty with work programs is that working students cannot work very many hours a week and carry a full load. Students who carry scholarships and also work fight a precarious

⁴⁵ Russell in Baskin, Some Newer Developments, p. 292.

⁴⁶ Chambers, Financing Higher Education, p. 67.

battle between losing the scholarships because of lower grades, and losing income because of studying rather than working. The philosophy toward a student working while attending college is a curious one at best. It stems basically from the idea that a student should earn a college education financially as well as academically. That this philosophy does not apply to elementary and secondary schooling is pondered by those who object to work programs as suitable answers to financial needs of students.

Grants to undergraduates are generally restricted to those severely hard-pressed to meet the costs of education. Conflicts arise between the adherents of more traditional methods of financial aids, and the fact that a large bulk of the grant money comes from tax sources. The fact that scholarships, loans, and work programs are also funded to a large extent from tax monies is overlooked by opponents. Because of their relative newness, and an impact yet to be realized, grants have not become the subject of a great deal of discussion.

The financial aids counselor uses the College Scholarship Service guidelines in order to construct a "package" of financial aids. If the student can qualify for a scholarship, he gets it, and the rest of his needs are distributed between loans and work programs or grants. Financial aids have helped a good number of students through college, and undoubtedly will help many more.

A Brief Look at Tuition Fees Abroad

The study of international education is virtually a separate field in which innumerable differences in philosophies and methods of financing must be reconciled on a cultural basis. To attempt even a cursory look is to invite criticism. Even so, one may rightly inquire as to the practices followed in other countries. The purpose of this brief section is to answer that one question, without elaborating about enrollments, student aids, or any other of the manifest issues surrounding the costs of higher education or the methods used to meet them.

A study by UNESCO provides some facts. Public institutions in Brazil, France, and the Union of Soviet Socialist Republics (USSR) charge no tuition. Tuition is charged in the public colleges and universities of Japan and the United Arab Republic (Egypt), although provision is made for waiver of tuition fees if need is demonstrated. United Kingdom institutions charge fees, even though liberal student grants based on parents' income have the effect of negating the fees charged, since it is possible for needy students to attend college at no cost to parents or students.⁴⁷

⁴⁷International Study of University Admissions, Access to Higher Education Vol. II (New York: UNESCO and the International Association of Universities, International Documents Service, Columbia University Press, 1963).

Three Research Studies Related to this Study

The 1964 study on public concepts of values and costs of higher education by Campbell and Eckerman has been mentioned earlier.⁴⁸ Of 1310 respondents interviewed, 1004, or 76%, agreed that the problem of colleges turning down high school graduates because there was no room was either a very serious or somewhat serious problem. The main reasons that respondents gave for their agreement was that "Education is a good thing; everyone who wants education should have it; equal opportunities for all." Of the 120 who felt that the problem was not at all serious, 68% indicated that "there isn't any problem; or, there is enough room now."

Another item in the battery asked the sample if they thought the problem of not enough room in colleges was going to get better in the next few years, or worse. Forty-eight percent felt that the situation would worsen, while 26% thought it would get better. Those who thought the situation would get worse reasoned that the whole population is increasing, producing more college age youth. Those who thought the situation would get better thought that taxes would probably go up, more buildings would be built, or that people were becoming more aware of the problem.

⁴⁸Campbell and Eckerman, Public Concepts. This was a national survey employing a stratified probability sample conducted in May, 1963.

When presented an item stating: "Some people think there are already too many young people going to college; they want to let only the brightest students go to colleges; others think we ought to build more colleges so more students can go," 79% of the 1310 respondents felt that more colleges should be built so more students could go. Only 8% thought that only the brightest students should go to college.

Another item dealt with the amount the student pays to attend a public college or university versus the amount the state pays. Thirty-one percent felt that it was all right the way it was in their particular state, 24% said that the state should pay more and the student less, and 13% thought the student should pay more. Thirty percent did not know. In a related item, 61% indicated that they would pay more taxes in their states so that more people could go to college. Thirty-three percent were against paying higher taxes for this purpose. No difference between income levels and educational levels occurred on this question, however, Republicans were more often in favor of the student assuming more of the financial burden of his education, and Democrats were more frequently in favor of increased state subsidization.

The results of the Campbell and Eckerman study showed that a majority of the people in the nation feel that college education is a

good thing and should be provided for all who want it. Over three-fourths of the persons interviewed felt that the problem of providing adequate room for those who want to go to college is a serious problem. Almost a third of the people thought that the balance between the amounts paid by their states and by the students were about right. Another quarter thought that the student should pay less, and 13% thought the student should pay more.

The Shaffer study⁴⁹ showed that in 1961-62, the monetary expenditures of a typical student at Michigan State University were \$1,695, spent as follows: \$722 for room and board, \$288 for tuition and fees, \$112 for transportation, \$147 for clothing, \$115 for recreation and refreshments, \$79 for books and supplies, and \$24 for miscellaneous items. The average student received about 67% of his resources from relatives, including parents, wives, grandparents, and other relatives. The study also showed that reliance on scholarships was very limited, amounting to only about 3% of the average expenditures for all single undergraduates. Of those undergraduates with the lowest expenditures, scholarships provided between 8% and 19% of total expenditures. Less than 15% of the undergraduates

⁴⁹Shaffer, Financial Aspects of Student Life. This study came from a questionnaire survey of a sample of 1237 single, married, and out-of-state undergraduates.

received scholarships worth as much as one year's fees, and parents contributed more than an average of \$700 to the support of these scholarship students. Loans accounted for about 4% of the average expenditures of single undergraduates. The average single undergraduate provided 9% of his expenditures from current employment and about another 13% from past employment. It was possible for a student to work up to about 20 hours per week, but less than 8% worked that much. The study did not reveal any deleterious effect on grades as a result of working. There was some indication that those who worked earned somewhat higher grades.

The earlier (1960) study by Lansing, Lorimer, and Moriguchi,⁵⁰ displays general agreement with the Shaffer study. Of the average total college expenses for single students of \$1650, about \$950 or roughly 60% came from parents. Of the remainder, \$360 came from earnings of the student, \$130 from scholarships, and \$110 from other sources. The study showed that the amount of money which parents contribute annually toward the education of a particular student depends on the family's income, the number of other children in the family to be educated, and the educational attainment of the parents.

⁵⁰Lansing, Lorimer, and Moriguchi, How People Pay for College. This study was conducted in 1959 from 2749 interviews taken in two surveys of a probability sample of the U.S. population.

Forty-four percent of families reported that they paid for education of their children entirely from current income. In about one family out of five, the mother took a job to help pay college bills.

Summary

The early development of publicly-supported education in the United States reflected European traditions and displayed the early roots of democracy. The Massachusetts laws of 1642 and 1647 were significant in that they embodied the principles that universal education is essential to the state, and that the state could enforce an obligation on parents to furnish education. In addition, the laws provided the principles that the state may determine the kind of education and the minimum amount; public money raised by a general tax may be used to provide state-required education; and, the state may provide higher education and the preparation for it, at public expense. Seven "battles" were fought in the struggle for publicly-supported education including the fight for tax support, the elimination of rate bills and the pauper-school idea, the establishment of free elementary schools, establishment of state supervision, tacet elimination of sectarianism, the founding of free public high schools, and the addition of the state university systems.

The early colleges were founded to prepare ministers for the churches. Funds for operation came from legislatures, towns,

churches, individuals, and lotteries. Students were required to pay some part of the costs of their education. The newer states to the west provided for tuition-free colleges and universities in their first constitutions. Private colleges kept tuitions low in order to attract students and compensate for the poverty which existed in the pioneer states. The significance of the establishment of the early colleges, was, however, the belief that higher education was expected to give more to society than it received from the students enrolled in the colleges.

The Morrill Act of 1862 provided for land-grants to states which would establish colleges to teach learning related to "agriculture and the mechanic arts." The Morrill Act contributed to a change in the traditional classical curriculum, and provided a practical education at low cost for the sons and daughters of farmers. The land-grant act brought both federal and state governments firmly into the support of higher education.

Tuition fees for both public and private colleges and universities have continually risen since the beginning of the twentieth century. Although some differentiation is sometimes made between the two words tuition and fees, they have come to mean charges for various phases of the operation of institutions of higher education. The amounts charged for tuition fees have generally followed a pattern dictated by

prices and amounts contributed to institutions of higher education by other sources. Recently, both fees and state appropriations have risen at a rate higher than personal income in order to provide improvements in teaching, lower the faculty-student ratio, meet the higher costs of buildings and equipment, provide graduate studies, and serve increasing enrollments.

Arguments for higher tuition rates generally allude to the philosophy that the student benefits most from higher education, and therefore should pay for it. The argument is strengthened by the demonstration that the economy can well afford to pay more for education, and that those who are restricted from higher education by virtue of low income status can draw upon scholarships, loans, and work programs for assistance. Proponents of low tuition express the philosophy that society benefits most from higher education, and therefore should pay the bill for those who are qualified and wish to attend college. Their argument is based on the tradition that tuitions should be low, and an insistence that those whose incomes are low would not be sufficiently helped by financial aids.

Financial aids offered by colleges and universities today are of four types: scholarships, loans, work programs, and grants. Each have advantages and disadvantages, depending on educational and political philosophies. Scholarships are generally reserved for

those with outstanding high-school grades, and scholarship recipients usually must display better than average grades in order to continue their scholarships. Loans have been hailed as a contribution of the distinctly American "go-now, pay-later" idea, and at the same time are discredited for their tendency to produce "indentured" graduates. The American virtue of work is embodied in the work-study programs provided by colleges and universities through federal assistance. Some disclaimers point to the conflict of work and academic progress. Grants of money are relatively new for undergraduates, but under the federally-sponsored Education Opportunity Grant program, are likely to encounter praise and criticism of the types heretofore mentioned.

A study by UNESCO shows that of six countries abroad, three charge tuition fees for public higher education--the United Kingdom, Japan, and the United Arab Republic (Egypt). Both Japan and the UAR provide for tuition waivers in cases of need. The other three--Brazil, France, and the Union of Soviet Socialist Republics (USSR)--charge no tuition in their public colleges and universities.

Three research studies related to this study were discussed. The Campbell and Eckerman study on public concepts of values and costs of higher education shows that a majority of the American public feel that college education should be provided for all who want it. Sixty-one percent of those interviewed were willing to pay more taxes

in their states so that more people could go to college. More than three-quarters of the sample thought that the problem of providing adequate room for those who want to go to college is a serious problem, and only 26% thought that the situation would get better, expressing faith that taxes would go up, adequate buildings would be provided, and that people were becoming more aware of the problem. Republicans were shown to be more often in favor of the student assuming more of the financial burden of his education, while Democrats were more frequently in favor of increased state subsidization.

A study by Shaffer on the financial aspects of undergraduate life at Michigan State University in 1961-62 showed that in those years, the average student expenditure was \$1,695. Of that total, about 42% was spent on room and board, and 17% was required for tuition fees, the two most expensive items. The average student received about 67% of his total expenditures from relatives. The study also showed that scholarships account for about 3% of the average student's expenditures, and loans provide about 4%. Less than 15% of the undergraduates received scholarships worth as much as the fees for one year. Scholarship students received an average of \$700 in parental support.

A nationwide study conducted on the basis of two surveys by Lansing, Lorimer, and Moriguchi, showed that roughly 60% of a college

student's support comes from parents. The study showed that the amounts parents contribute to their students reflect the parents' income, the number of dependent children in the family, and the educational attainment of the parents. Forty-four percent of the families reported that they paid for their college student's expenses from current income. In one family out of five, the mother took a job to help pay the student's expenses.

CHAPTER III

DESIGN

This chapter contains a description of the sample population, the sampling technique, the instrumentation, statement of testable hypotheses, and the plan of operation for analysis.

Sample

The sample population was drawn from a list of undergraduate, unmarried, Michigan-resident students enrolled at Michigan State University for Spring term, 1968. The Registrar's directory list was used, and a computer process provided by the Registrar drew every 40th name meeting the criteria of unmarried, Michigan-resident, from a student number-ordered list of undergraduates. The sampling process yielded 526 names. Eleven of those names were immediately rejected because of inaccurate coding which had placed out-of-state students in the category of Michigan resident students. Each student's name and home address were printed on an address label, and the questionnaire, along with a cover letter and a stamped, addressed, return envelope was mailed "TO THE PARENTS

OF" the student whose name and home address appeared on the label. Parents who had more than one student enrolled at Michigan State University were asked to answer the items on the questionnaire for the student whose name appeared on the envelope.

Each questionnaire was numbered, and explanation made in the cover letter that the number was intended only to insure return of the questionnaire. Guarantee was made in the cover letter that no connection would be made between the responses and the student's or parents' names. Two weeks after the initial mailing, a follow-up letter was mailed to non-respondents asking that the questionnaire be completed and returned. One month after the initial mailing, a new cover letter, another questionnaire, and a stamped, addressed, return envelope were mailed to each non-respondent.

Of the 515 questionnaires mailed, three were returned as carrying an incorrect address. A total of 367 questionnaires were returned, yielding a return rate of 71.6%. Fourteen of the returned questionnaires indicated that a self-supporting student had received them at his or her home, and those questionnaires were discarded. Eight of the questionnaires were returned without any marks, except possibly an indication of "do not wish to answer" written by the respondent; these returns were discarded. The remaining 345 usable questionnaires were coded and provide the data base.

Instrumentation

The questionnaire contained 28 items on a four-page, single sheet, produced in offset printing.¹ Twelve of those items request factual information which the study or the form of the questionnaire would not affect. The information requested by those items was:

1. Number of unmarried, dependent children claimed on the 1967 income tax return.
2. Number of unmarried, dependent children from immediate family presently enrolled in a college or university.
3. Number of unmarried, dependent children from immediate family now enrolled at Michigan State University.
4. Number of unmarried, dependent children from immediate family who have ever enrolled in a college or university, including those presently enrolled.
5. Whether student has scholarship which pays all or part of fees.
6. Where student lives while attending Michigan State University.
7. An estimate of the dollar amount contributed to the student's cost of going to college, not counting the student's contributions, or scholarships, loans, or grants received, for the current year, September to June.
8. Whether the parents or the student had applied for and received a fee reduction from Michigan State University.
9. Education level of mother.

¹Copies of the questionnaire and cover letters are in Appendix A.

10. Education level of father.
11. Parents' total income before deductions as reported on 1967 federal income tax return.
12. Whether questionnaire was answered by mother or father.

A thirteenth item, intended for use as demographic data, required some conjecture on the part of parents, as it asked parents to list the number of unmarried, dependent children remaining in the immediate family whom the parents expected will attend college.

Six of the items requested attitudes and/or opinions about fees and fee schedules and about financial aids:

1. After an explanation of instructional costs as opposed to total student costs, parents were asked to indicate what part of the instructional cost a student and/or his parents should be required to pay.
2. After an explanation that some programs cost more than others, parents were asked whether students enrolled in high-cost programs should pay extra costs, or proportionately higher charges for high-cost programs.
3. Parents were given five alternative methods of charging fees: no fees (state government provides funds lost); flat-rate (everyone pays the same); graduated fees based on ability to pay; fees based on cost of program with no provision for ability to pay; and fees based on cost of program with provision for ability to pay; and a sixth category in which to specify some other means of paying fees. Parents were asked to choose their one preference.
4. Parents were asked to indicate whether they thought that Michigan State University should continue to provide financial aid to those students who qualify for entrance but lack the money to attend.

5. Six possible ways to help needy students to pay fees were listed: no fees; reduced fees; scholarships; work programs; loans; and grants of money. Parents were asked to choose those most desirable, and indicate an order of preference or combination of those aids. A seventh and eighth category allowed parents to indicate that none of these aids were desirable and also to specify their own preference.
6. Parents were asked if they would object to a system in which an agency of the state of Michigan approved reductions in fees for needy students wishing to attend any state college or university and then reimbursed the college or university the amount of the reduction granted.

Six items requested attitudes toward the graduated fee schedule at Michigan State University:

1. Parents were presented the hypothetical situation of voting today to express their preference for the graduated fee schedule,² or the proposed alternative of a flat-rate \$143 per term, and asked to indicate their choice.

The following three items were combined with responses of strongly approve, somewhat approve, undecided, somewhat object, and strongly object:

2. The graduated fee schedule requires submission of the federal income tax form in order to be considered for a fee reduction.
3. With the graduated fee schedule, some students pay more than others for the same services.
4. The graduated fee schedule is based on gross income and the number of students from one family attending MSU, and does not make allowances for children attending other colleges, other dependents in a family, medical expenses, or business losses.

Parents were asked whether they agreed, disagreed, or were undecided in their response to the following two statements:

² An explanation of the graduated fee schedule was made in the questionnaire.

5. The graduated fee schedule should provide for fees lower than \$118 per term for students from families whose incomes are lower than \$11,800 per year.
6. The graduated fee schedule should provide for fees higher than \$167 per term for students from families whose incomes are higher than \$16,700 per year.

Two items were included in order to examine their relationships to other items in the questionnaire:

1. Parents were asked to indicate the political party with which they most closely identify. Responses were: Republican, Democrat, or Other (specify).
2. Parents were asked to express their attitudes about the Michigan State income tax as to whether it should remain flat-rate, or should be graduated. An undecided response was also listed.

Another item, not intended for analysis, was used to introduce the above two responses and reduce antagonism to the items. This item asked parents whether they thought attitudes toward fee schedules were due to political inclinations and/or feelings in general about taxes and charges for public services.

Parents were asked to indicate their responses on the questionnaire and return it in the enclosed envelope. Comments were neither encouraged nor discouraged.

Testable Hypotheses

The hypotheses were stated in broad form in Chapter I. Following are the null hypotheses and their directional alternates.

Null Hypothesis I

No difference will be found in preferences of parents between the suggestion that students should pay at least a part of their

instructional costs and the suggestion that students should pay no fees.

Alternate:

More parents will indicate a preference for the suggestion that students should pay at least a part of their instructional costs than will indicate a preference for no fees.

Null Hypothesis II

No difference will be found in preferences of parents between a flat-rate per-term fee and a graduated fee schedule.

Alternate:

More parents will indicate a preference for a flat-rate per-term fee than will prefer a graduated fee schedule.

Null Hypothesis III

No differences will be found in incomes between parents who prefer a flat-rate tuition fee and parents who prefer a graduated fee schedule.

Alternate:

Parents who prefer a flat-rate tuition fee will report higher incomes than will parents who prefer a graduated fee schedule.

Null Hypothesis IV

No differences will be found in parental contributions between parents who prefer a flat-rate tuition fee schedule and parents who prefer a graduated fee schedule.

Alternate:

Parents who prefer a flat-rate tuition fee will report higher parental contributions than will parents who prefer a graduated fee schedule.

Null Hypothesis V

No difference will be found in preference for a graduated state income tax between parents who prefer a flat-rate tuition fee schedule and parents who prefer a graduated fee schedule.

Alternate:

Parents who prefer a graduated fee schedule will more likely prefer a graduated state income tax than will parents who prefer a flat-rate fee schedule.

Null Hypothesis VI

No differences will be found in preferences for the graduated fee schedule or a flat-rate fee schedule by parents who identify themselves as Democrats or parents who identify themselves as Republicans.

Alternate:

Parents who identify themselves as Democrats will more likely prefer the graduated fee schedule than will parents who identify themselves as Republicans.

Null Hypothesis VII

No difference will be found in preference for the graduated fee schedule between parents whose students received a fee reduction and parents whose students did not receive a fee reduction.

Alternate:

Parents whose students received a fee reduction will more likely prefer the graduated fee schedule than will parents whose students did not receive a fee reduction.

Analysis

A mark-sense sheet was prepared for each of the 345 usable questionnaires returned. Responses of each questionnaire were recorded, plus the corresponding student's sex, program level, curriculum, and class standing as recorded on the Registrar's directory. Data cards were created from the mark-sense sheets for use in the Control Data 3600 computer.

The computer provided observed frequencies, cell percentages, and totals for each of 38 variables. Test hypotheses III, IV, V, VI, and VII required chi-square analysis, and hypotheses III and IV used both chi-square and product moment correlation. The program was run on the computer twice to insure accuracy. Additional frequency observation and chi-square analysis were performed in order to provide relevant supportive data.

Summary

The sample population was drawn by selecting every 40th student, who was unmarried and a Michigan resident, from the Registrar's directory of students enrolled at Michigan State University

Spring term, 1968. Questionnaires were mailed to parents of the 515 students selected; addressed, stamped, return envelopes were included in the mailing. The first follow-up was a letter requesting return of the questionnaire. The second follow-up contained a cover letter, a questionnaire and an addressed, stamped, return envelope. The rate of return was 71.6%. Twenty-two of the returned questionnaires were unusable, leaving 345 usable responses.

The questionnaire was a 28-item, four-page, single-sheet document, with an instruction to mark answers on the questionnaire. Thirteen of the items requested information of a factual nature. Six of the items requested attitudes or opinions about fees or fee schedules and financial aids. Six additional items requested parents' attitudes toward the graduated fee schedule at Michigan State University. One item, not intended for analysis, introduced two subsequent items which requested the political party with which parents most closely identify, and their opinions as to whether the Michigan state income tax should remain flat-rate or should be graduated.

Seven null and alternate testable hypotheses were stated. The first hypothesis seeks to discover whether more parents prefer that students pay some part of their instructional cost than prefer no charge for instructional costs. The second hypothesis states that more parents will prefer a flat-rate fee schedule than will prefer the

graduated fee schedule. The third hypothesis will provide an examination of fee schedule preferences in relation to parents' incomes. Parental contributions to a student's costs in relation to parents' preferences for fee schedules will be analyzed within the fourth hypothesis. A fifth hypothesis deals with the relationship between the preferences for fee schedules and preferences for a flat-rate or graduated state income tax. Identification with political parties and its relation to fee schedule preferences will be examined within Test Hypothesis VI. The seventh hypothesis states that parents who received a fee reduction are more likely to prefer graduated fees than parents who did not receive a fee reduction.

Analysis was performed on the Control Data 3600 computer. Appropriate analysis, including frequency analysis, chi-square statistical test, and product moment correlation were used to test the hypotheses and provide relevant and supportive data. The following chapter contains the results of the analysis.

CHAPTER IV

ANALYSIS

This chapter presents the analysis of the results from the questionnaire study returned by parents of 345 unmarried, undergraduate, Michigan-resident students enrolled at Michigan State University, Spring term 1968. In some cases, the data show somewhat less than 345 because all respondents did not answer all items on the questionnaire. Percentages are rounded to whole numbers. The test hypotheses are presented in the order listed in Chapter III, followed by other findings relevant to the study. Appendix B presents additional data gathered by the questionnaire.

Characteristics of the Sample Population

The Parents

Of the 345 questionnaires used in the sample, 145 of the questionnaires were completed by mothers, 147 were completed by fathers, and 53 were completed by mothers and fathers working together. Of the 344 families represented by the questionnaire (one family had two

students for whom questionnaires were mailed and returned), the average number of children claimed as dependents on the 1967 income tax was 2.6 children per family. Twelve of these families had children enrolled as students at Michigan State University whom they did not claim as dependents. The 344 families had an average of 1.3 children enrolled in college at the time of the survey. The average number of children from each family enrolled at Michigan State University was 1.1 children per family. An average of 1.8 children from each family had at one time enrolled in a college or university. The average number of children remaining in a family whom the parents expected would attend college was 1.2 children.

Of the 344 families, 49% of the mothers had attended college, and 56% of the fathers had attended college. Parents' average annual income falls within the \$12,000 to \$13,999 range. The average family contribution to a student's costs of attending college is between \$1000 and \$1400 per academic year.

Students of the Parents

Of the 345 students for whom parents reported, 175 were men, and 170 were women. The numbers in each class are as follows: 96 freshmen, 86 sophomores, 77 juniors, 84 seniors, and 2 special students. One hundred seventy of the students were enrolled

in the University College (first two years), and 159 were in upper division schools. Eleven were enrolled in the Honors College, and five others were enrolled in miscellaneous programs. Of the total, 94 of the students were candidates for teaching certificates. Enrollment by colleges is shown below:

<u>College in Which Enrolled</u>	<u>No. of Students</u>
No Preference	51
Social Science	51
Business	43
Arts and Letters	39
Natural Science	38
Education	37
Home Economics	23
Engineering	21
Agriculture	18
Communication Arts	15
Residential Colleges	9
Total	345

According to the parents' responses, 85, or 25% of the students carried scholarships which paid all or part of a student's fees. Seventeen, or 5% lived in their parents' home; 88, or 25%, lived off-campus; and 240, or 70% lived on campus. None of the students whose parents responded lived in the home of a relative while attending college.

Test Hypothesis I

More parents will indicate a preference for the suggestion that students should pay at least a part of their instructional costs than will indicate a preference for no fees.

Responses to item 9 in the questionnaire provide the data:

Item 9. The state of Michigan contributes to the cost of your son's or daughter's college education through appropriations to Michigan State University. Not including the cost of books, room, board, travel expenses, clothing, and personal expenses, the cost of instruction alone for one student for one year (September to June) is approximately \$1600. You or your student pays a part of the instructional cost through fees; the rest comes from state appropriation. In your opinion, what part of the instructional cost should a student and/or his parents be required to pay?

The numbers and percentages in Table 4.1 show the actual responses.

TABLE 4.1. -- Amount of instructional cost parents think students and/or parents should be required to pay

Response	Number	Percent
Checked "All of the instructional cost"	16	5%
Checked "Two-thirds to three-quarters of the instructional cost"	20	6%
Checked "About one-half of the instructional cost"	53	15%
Checked "One-quarter to one-third of the instructional cost"	78	23%
Checked "None of the instructional cost"	25	7%
Checked "Should depend on need and ability to pay"	129	37%
Did not answer the item	24	7%
Totals	345	100%

Only 25 parents, or 7% of the total responding, checked "None of the instructional cost," as compared to 296, or 86% of the total, who indicated that a student should pay at least a part of his instructional cost, by checking one of five other responses (not including those who did not answer the item). The data clearly show acceptance of Test Hypothesis I.

Item 20 of the questionnaire is related to item 9 and Test Hypothesis I:

Item 20. Which of the following ways of charging fees do you prefer? (check one only)

Table 4.2 shows the numbers and percentages related to each response to this item.

TABLE 4.2. -- Parents' preferences for ways of charging fees

Response	Number	Percent
Checked "No fees (state government provides funds lost)"	18	5%
Checked "Flat-rate (everyone pays the same)"	119	35%
Checked "Graduated fees based on ability to pay"	108	31%
Checked "Fees based on cost of program with <u>no provision</u> for ability to pay"	27	8%
Checked "Fees based on cost of program <u>with provision</u> for ability to pay"	65	19%
Did not answer the item, or indicated some other means	8	2%
Totals	345	100%

Of the 25 parents who checked "None of the instructional cost" in item 9, only 7 chose "No fees" in item 20. Eight respondents chose "Flat-rate," and 6 respondents chose "Graduated fees." The collapsed results of item 20 demonstrate that 93% of the respondents prefer a system in which fees are charged, or, relating to the hypothesis, a system in which the student should pay at least part of his instructional costs.

Test Hypothesis II

More parents will indicate a preference for a flat-rate per term fee than will prefer a graduated fee schedule.

Item 13 of the questionnaire corresponds to this hypothesis.

Item 13. Prior to this year, all full-time students at Michigan State University were charged the same fee. At the time a fee increase was being discussed, one recommendation was to charge a flat-rate of \$143 per term. The other was the graduated fee schedule, which was adopted. If you could vote today on the alternatives, which would you prefer?

Table 4.3 shows the responses to this item.

On the basis of these data, Test Hypothesis II is rejected.

Item 20, which was discussed under Test Hypothesis I in the previous section, is also related to this hypothesis. Table 4.2 shows the results of item 20. Of the 163 respondents who chose "The flat-rate fee" in item 13, 116, or 71%, chose "Flat-rate" in item 20. Another 25, or 15%, checked "Fees based on cost of program with

no provision for ability to pay." Of the 174 respondents who "voted" for the graduated fee schedule in item 13, 105 respondents, or 60%, preferred graduated fees in item 20, and 52 respondents, or 30%, chose fees based on cost of program with provision for ability to pay.

TABLE 4. 3. -- How parents would vote on two alternative fee schedules

Response	Number	Percent
Checked "The flat-rate fee of \$143 per term for all students"	163	47%
Checked "The graduated fee schedule based on family income and the number of children enrolled, ranging from \$118 to \$167 per term"	174	51%
Did not answer the item	8	2%
Totals	345	100%

Those who prefer the flat-rate fee schedule tend to be parents of non-scholarship holders, and parents with higher educational attainment. Fathers tend to be more in favor of flat-rate fees than mothers. Of the 255 parents whose students did not have a scholarship, 142, or 56%, preferred flat-rate fees; 21, or 26% of the parents whose students carried a scholarship preferred flat-rate fees.

Of the 66 mothers who had received a bachelor's degree or higher, 41, or 62% preferred flat-rate fees. Of the 105 fathers who had received a bachelor's degree or higher, 64, or 61%, preferred

flat-rate fees. The data show that parents who had attained no higher educational level than graduation from high school were more in favor of graduated fees than flat-rate fees. Of the 173 mothers who had attained a high school diploma or less, 102, or 58%, preferred graduated fees. Of the 148 fathers whose educational level was high school graduate or less, 102, or 68%, favored graduated fees. Of the 147 fathers who completed the questionnaire, 84, or 58%, preferred the flat-rate schedule. Of the 145 mothers completing the questionnaire, 52, or 37%, preferred flat-rate fees. Fifty-three of the questionnaires were completed by the father and mother working together. Results of those questionnaires show that preference for the alternative schedules is almost evenly split, with 52% of the jointly completed questionnaires preferring flat-rate fees, and 48% preferring graduated fees.

Test Hypothesis III

Parents who prefer a flat-rate tuition fee will report higher incomes than will parents who prefer a graduated fee schedule.

Item 27 of the questionnaire asked parents to place their total incomes, as reported on their 1967 income tax returns, including both mother's and father's incomes, within the appropriate category. The categories, responses, and related percentages of responses to each category are shown in Table 4.4 below.

TABLE 4.4. -- Reported annual incomes of parents

Response	Number	Percent
Reported "\$6000 or less"	27	8%
Reported "Between \$6000 and \$8000"	26	8%
Reported "At least \$8000, but less than \$10,000"	29	8%
Reported "At least \$10,000, but less than \$12,000"	58	17%
Reported "At least \$12,000, but less than \$14,000"	37	11%
Reported "At least \$14,000, but less than \$16,000"	36	10%
Reported "\$16,000 or more"	114	33%
Did not respond to the item	18	5%
Totals	345	100%

The hypothesis was tested by separating the income categories by preference for a flat-rate fee schedule or preference for a graduated fee schedule. Eight of the respondents did not respond to item 13, which requested a "vote" for one of the two alternative fee schedules, hence, the population is 337. Table 4.5 displays the data. Figure 4.1 illustrates the data in graph form.

The chi-square statistical test resulted in a significance beyond .001. This indicates that, when preferences for the two alternative fee schedules are compared by income categories, a highly significant difference is displayed. The product moment correlation of -0.464 indicates direction that higher income parents

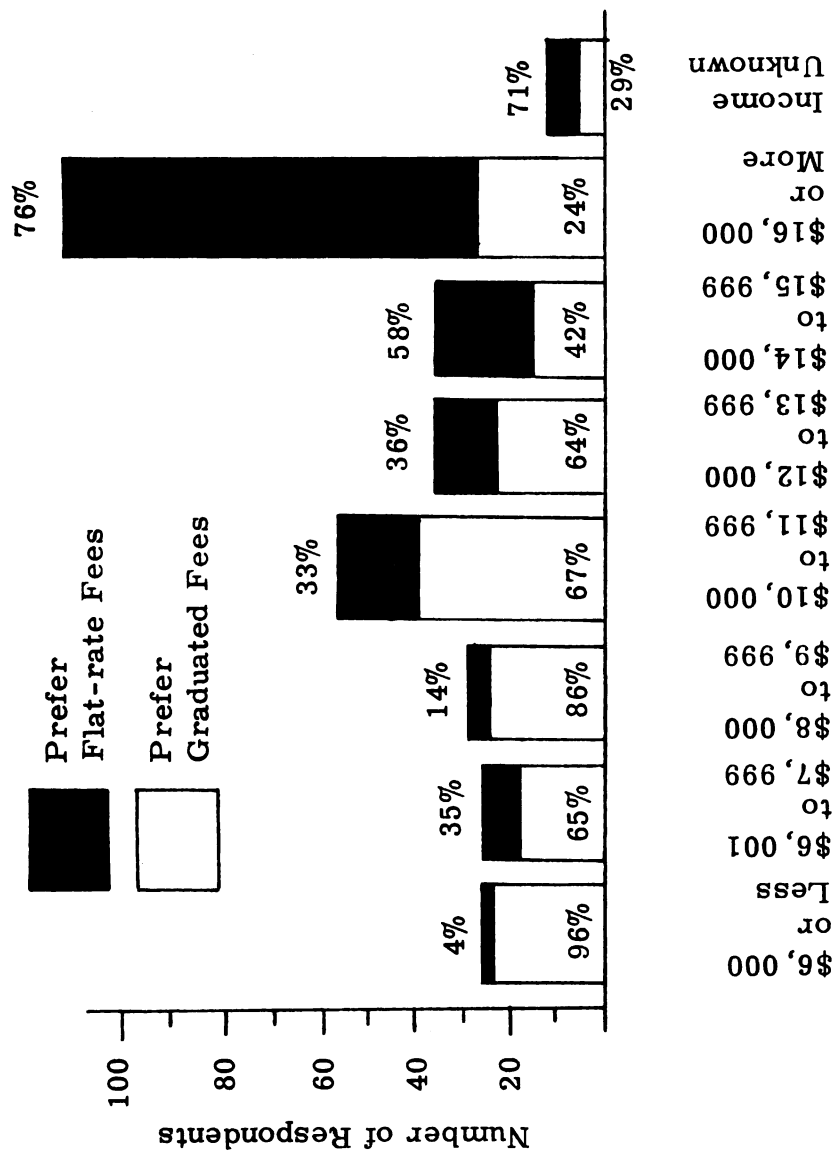


FIGURE 4.1. -- Parents' preferences for alternative fee schedules by income categories

prefer flat-rate and lower income parents prefer graduated fees.

On the basis of the data, Test Hypothesis III is accepted.

TABLE 4.5. -- Comparison of preferences for flat-rate fees or graduated fees by reported incomes of parents

Parents' Reported Annual Incomes	Parents Who Prefer Flat-rate Fees		Parents Who Prefer Graduated Fees	
	Number	Percent	Number	Percent
\$6000 or less	1	4%	25	96%
\$6001 - \$7999	9	35%	17	65%
\$8000 - \$9999	4	14%	25	86%
\$10,000 - \$11,999	19	33%	38	67%
\$12,000 - \$13,999	13	36%	23	64%
\$14,000 - \$15,999	21	58%	15	42%
\$16,000 or more	86	76%	27	24%
Unknown	10	71%	4	29%
Total (337 Responses)	163		174	

X^2 : 83.040 Degrees of Freedom: 7 Significance: Beyond .001
Product Moment Correlation: -0.464

Test Hypothesis IV

Parents who prefer a flat-rate tuition fee will report higher parental contributions than will parents who prefer a graduated fee schedule.

The amount that parents contribute to a student's costs of attending college presumably depend on many factors, including the student's style of living, his instructional costs, the number of dependent children in the family, and the amount the student contributes

from his own resources. This hypothesis indicates that the higher the parental contribution, the more likely the parent will prefer a flat-rate fee schedule. Item 8 of the questionnaire requested the data:

Item 8. This item asks for an estimate of the dollar amount parents contribute, if any, to the student's costs of going to college, not counting those contributions the student makes, or scholarships, loans, or grants the student receives. Please indicate the category within which your estimate falls, for the amount you (and your spouse) will contribute to your student's total college expenses for this current year, September to June.

Table 4.6 shows the responses, and the number and percentage responding to each.

TABLE 4.6. -- Reported amounts of parental contributions, per student for one academic year

Response	Number	Percent
Reported None	41	12%
Reported \$1 - \$399	32	9%
Reported \$400 - \$799	44	13%
Reported \$800 - \$1199	40	12%
Reported \$1200 - \$1599	67	19%
Reported \$1600 - \$1999	62	18%
Reported \$2000 - \$2399	38	11%
Reported \$2400 - \$2799	11	3%
Reported \$2800 - \$3199	4	1%
Reported \$3200 or more	6	2%
Totals	345	100%

The hypothesis was tested by comparing the parental contributions of parents within the categories of preference for flat-rate

fees or preference for graduated fees as indicated by their "votes" in item 13. Table 4.7 shows the results of that comparison. Figure 4.2 displays the data in graph form.

TABLE 4.7. -- Comparison of preferences for flat-rate fees or graduated fees by reported parental contribution to student's costs for one academic year

Categories of Parental Contributions	Parents Who Prefer Flat-rate Fees		Parents Who Prefer Graduated Fees	
	Number	Percent	Number	Percent
None	14	39%	22	61%
\$1 - \$399	6	19%	25	81%
\$400 - \$799	21	49%	22	51%
\$800 - \$1199	20	50%	20	50%
\$1200 - \$1599	24	36%	42	64%
\$1600 - \$1999	40	64.5%	22	35.5%
\$2000 - \$2399	25	66%	13	34%
\$2400 - \$2799	7	64%	4	36%
\$2800 - \$3199	1	25%	3	75%
\$3200 or more	5	83%	1	17%
Total (337 responses)	163		174	

χ^2 : 31.530 Degrees of Freedom: 9 Significance: Beyond .001
Product Moment Correlation: -0.207

The chi-square test indicates highly significant differences between the responses in the two categories of preference for flat-rate fees and preference for graduated fees. The negative product moment correlation shows slight indication of a relationship between

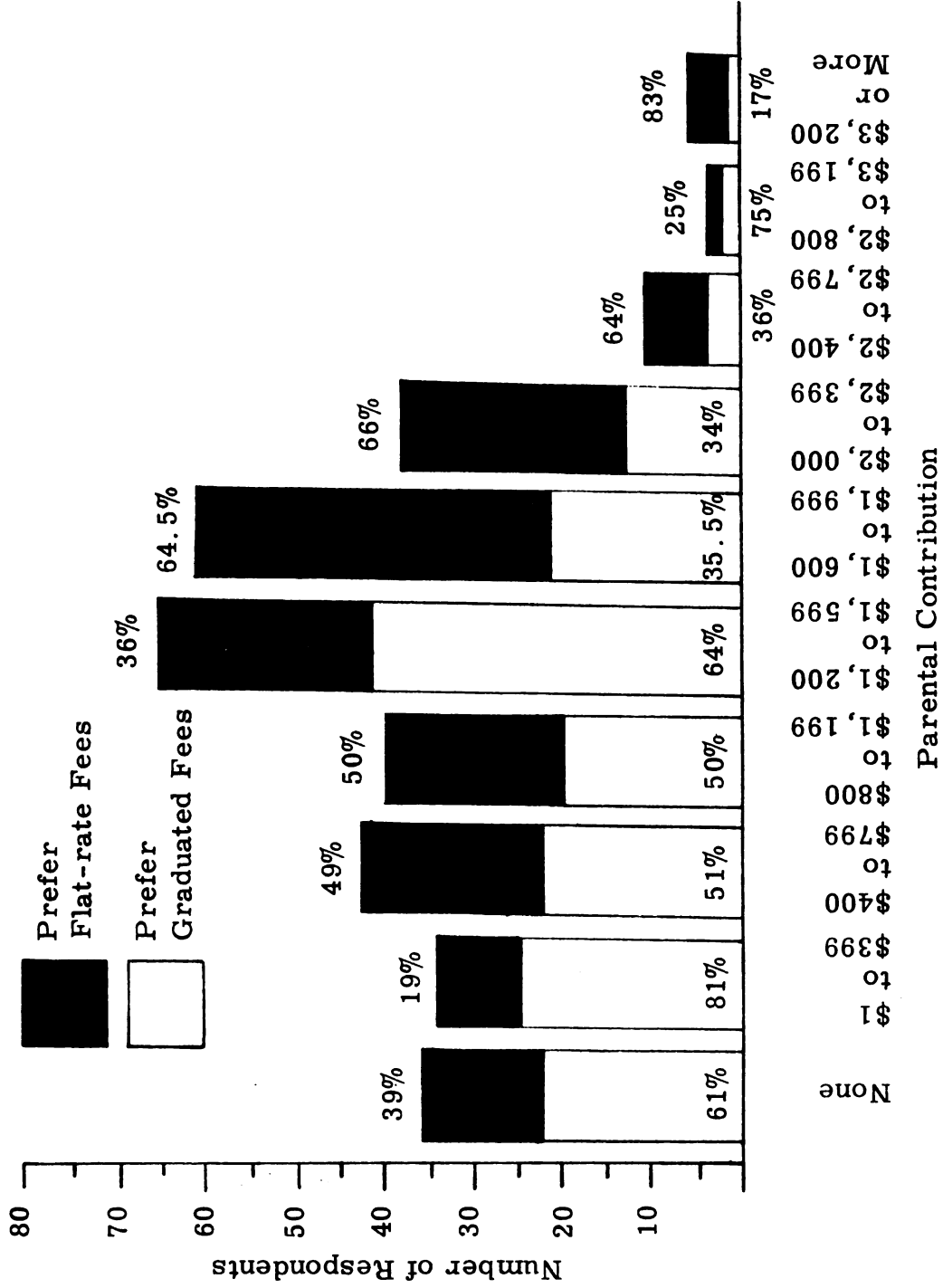


FIGURE 4.2. --- Parents' preferences for alternative fee schedules by parental contribution

preferences for fee schedules and parental contribution. On the basis of the data, Test Hypothesis IV is accepted.

Test Hypothesis V

Parents who prefer a graduated fee schedule will more likely prefer a graduated state income tax than will parents who prefer a flat-rate fee schedule.

In item 24 of the questionnaire, parents were asked to "express your attitude about the Michigan state income tax as follows:"

should remain flat-rate	(129 or 37% checked this response)
should be graduated	(125 or 36% checked this response)
undecided	(67 or 19% checked this response)
	(24 or 7% did not answer)
	(345 total respondents)

The hypothesis was tested by comparing the respondents who were both in favor of a flat-rate income tax and a flat-rate fee schedule against those who prefer both a graduated income tax and a graduated fee schedule. Table 4.8 shows the results of this comparison and the results of the chi-square statistical test.

Of those who prefer the graduated fee schedule by indicating they would vote for that schedule over the flat-rate schedule in item 13, 51% indicated that the state income tax should be graduated, 22% thought that the state income tax should remain flat-rate, and 22% were undecided. Of those who voted for the flat-rate fee schedule in item 13, 55% preferred a flat-rate state income tax, 21% preferred

a graduated state income tax, and 17% were undecided. On the basis of the data and the chi-square statistical test, Test Hypothesis V is accepted.

TABLE 4. 8. -- Comparison of preferences for flat-rate and graduated fees by preferences for flat-rate and graduated state income tax

Response	Parents Who Prefer Flat-rate Fees		Parents Who Prefer Graduated Fees	
	Number	Percent	Number	Percent
Income tax should be flat-rate	90	70%	38	30%
Income tax should be graduated	34	28%	89	72%
Undecided	27	41.5%	38	58.5%
No answer	12	57%	9	43%
Total (337 Respondents)	163		174	

X^2 : 47.700 Degrees of Freedom: 3 Significance: Beyond .001

Test Hypothesis VI

Parents who identify themselves as Democrats will more likely prefer the graduated fee schedule than parents who identify themselves as Republicans.

Item 23 of the questionnaire asked the parents to "indicate the political party with which you most closely identify":

Republican (179 or 52% checked this response)
 Democrat (90 or 26% checked this response)
 Other (specify) (54 or 16% checked this response and
 wrote "independent," "non-partisan,"
 and "vote for man, not party")
 (22 or 6% did not answer this item)
 (345 total respondents)

The hypothesis was tested by grouping Democrats and
 Republicans by preferences for flat-rate or graduated fees. The
 comparison is shown in Table 4.9. The table shows that of those who
 identify themselves as Democrats, 65% prefer the graduated fee
 schedule, compared to 46% of Republicans who prefer the graduated
 fee schedule over the flat-rate schedule. On the basis of the data,
 Test Hypothesis VI is accepted.

TABLE 4.9. -- Republican and Democrat preferences for
alternative fee schedules

Response	Parents Who Prefer Flat-rate Fees		Parents Who Prefer Graduated Fees	
	Number	Percent	Number	Percent
Republicans	96	54%	82	46%
Democrats	31	35%	57	65%
Total (266 Respondents)	127		139	

X^2 : 8.258 Degrees of Freedom: 1 Significance: Beyond .01

Table 4.10 presents further data in elaboration of the above. Since there were very nearly twice as many Republicans as Democrats in the sample, it is necessary to note that very little difference in preference for fee schedules is indicated by parents who identify themselves as independent voters. The difference between party preference which accounts for chi-square significance at the .02 level is the difference of preferences between Republicans and Democrats.

Test Hypothesis VII

Parents whose students received a fee reduction will more likely prefer the graduated fee schedule than will parents whose students did not receive a fee reduction.

Item 12 of the questionnaire asked parents: "Have you or your student applied for a fee reduction from MSU?" The responses are shown below:

<u>Response</u>	<u>Number</u>	<u>Percent</u>
Received fee reduction	170	49%
Applied but did not receive fee reduction	11	3%
Did not apply	156	45%
Did not answer the item	8	2%
Totals	345	100%

The hypothesis was tested by combining the responses, "applied but did not receive fee reduction," and "did not apply," resulting in two classifications: received fee reduction and did not

TABLE 4.10. -- Comparison of preferences for fee schedules by political inclination of parents
(336 respondents)

	Republicans		Democrats		Independent*		Unknown	
	No.	%	No.	%	No.	%	No.	%
Prefer flat-rate fees	96	59%	31	19%	24	15%	11	7%
Prefer graduated fees	82	47%	57	33%	29	17%	6	3%

*Includes "non-partisan" and "vote for man, not party"

χ^2 : 10.310

Degrees of Freedom: 3

Significance: Beyond .02

receive fee reduction. A comparison of the number of respondents in each classification and their preferences for flat-rate or graduated fees is shown in Table 4.11. On the basis of the data and the chi-square statistical test, Test Hypothesis VII is accepted.

TABLE 4.11. -- Comparison of numbers of parents who received fee reductions and parents who did not receive fee reductions by preferences for fee schedules

	Received Fee Reduction		No Fee Reduction	
	Number	Percent	Number	Percent
Prefer flat-rate fees	61	37%	102	63%
Prefer graduated fees	108	62%	62	36%
Total (333 Respondents)	169		164	

X^2 : 22.689 Degrees of Freedom: 1 Significance: Beyond .001

Other Results of the Analysis

The following section contains data gathered by the questionnaire which was not hypothesized, but is relevant to the study.

Objections to the Graduated Fee Schedule

Five features of the Michigan State University graduated fee schedule were listed in the questionnaire, and the responses to those

items indicate parental acceptance or rejection. Differences exist between those who prefer the flat-rate schedule and those who prefer the graduated schedule. Objection and approval are shown in the following tables in relation to those preferences, as indicated in item 13 of the questionnaire.

Tables 12, 13, and 14 show that parents who prefer the flat-rate fee schedule object to each of the three features of the graduated fee schedule presented by the corresponding items to highly significant degrees of differences from those who prefer the graduated fee schedule. The data indicate that the requirement for submission of the income tax form is least objectionable of the three features to those who prefer the flat-rate schedule. Among those who prefer the graduated fee schedule, the item receiving most approval was the statement that some students pay more than others for the same services. This same item received more objections than the other two from those who prefer flat-rate fees. Each category of fee schedule preference recorded more than 60% objection to the feature which does not make allowances for children attending other colleges, other dependents, medical expenses, or business losses. When both categories of fee preferences are combined, 71% of all respondents objected to this feature, compared to only 17% of all respondents who approved.

TABLE 4.12.-- Parental approval and objection to the requirement for submission of federal income tax form in order to qualify for fee reduction

14. The graduated fee schedule requires submission of the federal income tax form in order to be considered for a fee reduction.

	Responses	Strongly Approve		Somewhat Approve		Undecided		Somewhat Object		Strongly Object		No Answer	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prefer flat-rate	163	22	14%	18	11%	4	3%	17	10%	101	62%	1	.6%
Prefer graduated	174	96	55%	42	24%	12	7%	8	5%	13	8%	3	1%
Totals	337	118	35%	60	18%	16	5%	25	7%	114	34%	4	1%

X^2 : 131.958

Degrees of Freedom: 5

Significance: Beyond .001

TABLE 4.13. -- Parental approval and objection to the feature of the graduated schedule that some students pay more than others for the same service

15. With the graduated fee schedule, some students pay more than others for the same services.

	Responses	Strongly Approve		Somewhat Approve		Undecided		Somewhat Object		Strongly Object		No Answer	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prefer flat-rate	163	4	2%	10	6%	6	4%	32	20%	109	67%	2	1%
Prefer graduated	174	74	43%	57	33%	23	13%	11	6%	4	2%	5	3%
Totals	337	78	23%	67	20%	29	9%	43	13%	113	33%	7	2%

χ^2 : 214.734

Degrees of Freedom: 5

Significance: Beyond .001

TABLE 4.14. -- Parental approval and objection to the fact that the graduated schedule does not make allowances for children attending other colleges, other dependents, medical expenses, or business losses

16. The graduated fee schedule is based on gross income and the number of students from one family attending MSU, and does not make allowances for children attending other colleges, other dependents in a family, medical expenses, or business losses.

	Responses	Strongly Approve		Somewhat Approve		Undecided		Somewhat Object		Strongly Object		No Answer	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prefer flat-rate	163	12	7%	5	3%	5	3%	19	12%	117	72%	5	3%
Prefer graduated	174	21	12%	19	11%	22	13%	50	29%	56	32%	6	3%
Totals	337	33	10%	24	7%	27	8%	69	21%	173	51%	11	3%

χ^2 : 56.553

Degrees of Freedom: 5

Significance: Beyond .001

Forty-one percent of all respondents objected to the requirement for submitting an income tax form, and 53% approved. Of all respondents, 46% objected to some students paying more than others for the same services, and 43% approved.

Items 17 and 18 of the questionnaire sought to gather data in regard to parental reactions to the suggestions that the graduated fee schedule should provide for fees lower than the present \$118 minimum per term, and higher than the \$167 maximum per term. Tables 4.15 and 4.16 present the data relating to those items.

Differences between the responses from the two fee preference categories are shown to be significant within the chi-square statistical test for both suggestions of changes in the minimum and maximum fees charged, however, a large percentage of undecideds within the graduated fee category results in a combined 57% disagreement that the maximum per-term fee should be higher than \$167 per term. For both items, those who prefer graduated fees tend to be more undecided than those who prefer flat-rate fees.

What Do Parents Think About Financial Aids?

Item 11 of the questionnaire asked parents, "Do you think that Michigan State University should continue to provide financial aid to those students who qualify for entrance but lack the money to

TABLE 4. 15. -- Parental agreement and disagreement to the suggestion that minimum per-term fee should be lower than \$118

17. The graduated fee schedule should provide for fees lower than \$118 per term for students from families whose incomes are lower than \$11, 800 per year.

	Responses	Agree		Disagree		Undecided		No Answer	
		No.	%	No.	%	No.	%	No.	%
Prefer flat-rate	163	20	12%	116	71%	23	14%	4	3%
Prefer graduated	174	98	56%	41	24%	34	20%	0	
Totals	337	118	35%	157	47%	57	17%	4	1%

χ^2 : 93.295 Degrees of Freedom: 3 Significance: Beyond .001

TABLE 4. 16. -- Parental agreement and disagreement to the suggestion that the maximum per-term fee should be higher than \$167

18. The graduated fee schedule should provide for fees higher than \$167 per term for students from families whose incomes are higher than \$16,700 per year.

	Responses	Agree		Disagree		Undecided		No Answer	
		No.	%	No.	%	No.	%	No.	%
Prefer flat-rate	163	12	7%	134	82%	13	8%	4	3%
Prefer graduated	173	66	38%	57	33%	47	27%	4	2%
Totals	336	78	23%	191	57%	60	18%	8	2%

χ^2 : 87.427 Degrees of Freedom: 3 Significance: Beyond .001

attend?" Three hundred, or 87%, of the 345 respondents checked "Yes, the University should provide aid to needy students." Only 10% checked "No, the University should not provide aid to needy students," with 3% not responding.

TABLE 4. 17. -- Order of parental preferences for six types of financial aids

Total Respondents: 345

	Work Programs	Loans	Scholarships	Reduced Fees	Grants	No Fees
No Preference	14%	17%	22%	45%	50%	62%
1st Preference	38%	25%	44%	17%	6%	3%
2nd Preference	28%	24%	21%	13%	13%	3%
3rd Preference	12%	24%	8%	7%	7%	2%
4th Preference	6%	7%	4%	9%	10%	2%
5th Preference	1%	2%	1%	8%	11%	8%
6th Preference	1%	1%		1%	3%	20%
Total	100%	100%	100%	100%	100%	100%

Item 19 of the questionnaire asked parents to indicate their preferences for the various kinds of financial aid, in order of preference, with two or more of the types combined, if they chose to so indicate. The results of combining two or more types of aid within

one level of preference permits a display of the types of financial aids in terms of general desirability. Table 4.17 shows the financial aids, in order of overall desirability, with the corresponding orders of preference.

The relationship between those who prefer the Michigan State University graduated fee schedule and the number who rejected reduced fees as a desirable financial aid is shown in Table 4.18. Twenty-five percent of those who preferred the graduated fee schedule did not indicate a preference for reduced fees as a financial aid; only 31% of those favoring graduated fees preferred reduced fees above other financial aids, and 19% gave reduced fees a second preference. Of those who prefer graduated fees, 68% listed scholarships as their first or second preferences for financial aid.

Charges to Students for High-Cost Programs

Item 10 of the questionnaire makes the explanation that "Some programs of instruction cost more than others because of special facilities or special equipment, and small classes or individualized instruction," and then asks, "Should these extra costs be charged to the student who is enrolled in these high-cost programs?" The following responses were provided:

TABLE 4. 18. -- Order of parental preferences for six types
of financial aids by preference for flat-rate or
graduated fee schedules

	Work Programs	Loans	Scholarships	Reduced Fees	Grants	No Fees
No Preference						
Prefer flat-rate	14%	13%	24%	66%	56%	72%
Prefer graduated	14%	19%	20%	25%	43%	53%
1st Preference						
Prefer flat-rate	44%	33%	43%	3%	3%	1%
Prefer graduated	32%	17%	45%	31%	9%	5%
2nd Preference						
Prefer flat-rate	31%	26%	20%	7%	13%	1%
Prefer graduated	27%	22%	22%	19%	13%	5%
3rd Preference						
Prefer flat-rate	9%	20%	10%	5%	6%	2%
Prefer graduated	15%	28%	6%	7%	9%	2%
4th Preference						
Prefer flat-rate	2%	6%	2%	8%	10%	1%
Prefer graduated	10%	9%	6%	10%	10%	3%
5th Preference						
Prefer flat-rate		1%	1%	9%	8%	7%
Prefer graduated	2%	3%	1%	8%	14%	9%
6th Preference						
Prefer flat-rate		1%		2%	4%	16%
Prefer graduated		2%			2%	23%
Total flat-rate	100%	100%	100%	100%	100%	100%
Total graduated	100%	100%	100%	100%	100%	100%

Total Respondents: 337

Yes, students should pay extra costs, or proportionately higher charges for high-cost programs (95, or 28% checked this)

No, students should not pay extra costs, or proportionately higher charges for high-cost programs. (59, or 17% checked this)

It would depend on the program.
Perhaps some programs should require higher charges, perhaps others should not. (185, or 54% checked this)
(6, or 1% did not answer)
(345 total respondents)

Table 4.19 shows the responses to item 10 within the preferences for the flat-rate and graduated fee schedules.

TABLE 4.19. -- Responses to question of whether students in high-cost programs should be charged higher fees by preference for flat-rate or graduated fee schedules

	Prefer Flat-rate		Prefer Graduated	
	Number	Percent	Number	Percent
Yes	58	62%	36	38%
No	27	46%	32	54%
Depends	78	43%	104	57%
Total	163		172	

X^2 : 10.94

Degrees of Freedom: 3

Significance: Beyond .05

The data in Table 4.19 indicate that those who prefer flat-rate fees are more likely to favor charging students higher fees for high-cost programs than parents who prefer graduated fees. The data also indicate that parents who prefer graduated fees are less sure about their answer to the question, since 57% indicated that it would depend on the program.

Would Parents Object to a State
System of Fee Reduction?

Item 21 of the questionnaire asked parents: "Would you object to a system in which an agency of the state of Michigan approved reductions in fees for needy students wishing to attend any state college or university and then reimbursed the college or university the amount of the reduction granted?" Parents responded as follows:

Yes, I would object to a state system of fee reductions.	(154, or 45% checked this response)
No, I would not object to a state system of fee reductions.	(174, or 50% checked this response)
	(17, or 5% did not answer)
	(345 total responses)

The differences of responses to item 21 between those who prefer flat-rate fees and those who prefer graduated fees are shown in Table 4.20 below.

TABLE 4.20. -- Responses to question of whether parents would object to state system of fee reductions by fee schedule preferences

	Prefer Flat-rate		Prefer Graduated	
	Number	Percent	Number	Percent
Would object	106	70%	46	30%
Would not object	53	31%	119	69%
No answer	4	31%	9	69%
Totals	163		174	

χ^2 : 50.628

Degrees of Freedom: 2

Significance: Beyond .001

Of all respondents, 50% would not object to a state system of reduced fees, and 45% would object. Those who prefer flat-rate fees would object to almost the same extent that those who prefer graduated fees would not object.

Do Numbers of Children Show Some
Differences in Preferences for
Flat-rate Fees or Graduated Fees?

As noted previously, the questionnaire asked parents to indicate the number of unmarried dependent children from their immediate family who:

- (1) were claimed on the 1967 income tax return
- (2) are presently enrolled in college

- (3) are enrolled at Michigan State University
- (4) have ever enrolled in a college or university
- (5) were expected to attend college

While there is some reason to expect that differences in the number of children from each family in the five categories above would result in some differences as to preferences for a flat-rate fee schedule or the graduated fees, analysis shows this not to be true. On the basis of the data presented in Appendix B, there is no reason to believe that the number of children in college, for example, greatly influences a parent's preference for one fee schedule over another. Absence of a relationship between these demographic items and preferences for either of the two fee schedules persisted for all five cases of numbers of children.

Discussion

The analysis contains several results which, in a research sense, provide no surprises. For example, the finding that parents who received a fee reduction prefer the graduated fee schedule to a significant degree more than parents who did not receive a fee reduction corresponds to an idea that people support that from which they benefit. Following in this line of thought, it is not surprising that parents who earn higher incomes prefer the flat-rate schedule,

because they or their students must pay more in fees within the graduated fee schedule than they would within a flat-rate schedule. Similarly, Democrats might be expected to prefer the graduated fee schedule over the flat-rate fee schedule, since the graduated fee schedule resulted from a proposal supported by Democrat members of the Board of Trustees and opposed by Republican trustees. In each of these cases, however, it is interesting to note that while the differences result in chi-square significance, the proportion within the categories demonstrate somewhat less than dichotomous distinctions. Over one-third of the Democrats prefer flat-rate fees, (almost half of the Republicans prefer graduated fees), nearly one-quarter of parents in the highest income category (\$16,000 per year or more) prefer graduated fees, and more than one-third of those parents whose student did not receive a fee reduction prefer the graduated fee schedule.

Perhaps the most interesting findings revealed by the analysis are (1) no clear cut preference by parents for one of the two alternative fee schedules, (2) the amount of approval and objection to the features of the graduated fee schedule, and (3) preferences for forms of student aid. While preference for either the flat-rate fee schedule or the graduated fee schedule can be explained by whether or not a fee reduction was received, by annual income of parents, by political identity, or by philosophy toward the state income tax, the fact remains

that parents of Michigan State University students are almost evenly split in their preferences for one of the two alternative fee schedules. One might assume that the single most decisive factor in determining a preference for one of the alternative fee schedules is whether a fee reduction was received, reflecting the idea presented earlier that those who benefit from a system desire to keep it. It could be implied that if dollar amounts of fee reductions were greater, even more of those who received a fee reduction would favor the graduated fee schedule. However, this implication is not clear in view of the small number of parents (7%) who rejected the suggestion that parents and/or students should be required to pay none of the instructional cost. Obviously, the reasons for preferring one fee schedule over another involve a combination of factors, at least one of which the instrument could not gather: the innovative aspect of a departure from the traditional method of charging fees most likely contributes both to acceptance and rejection of the graduated fee schedule.

Of equal interest are the numbers who approve or object to three features of the graduated fee schedule. Of all respondents, over 71% object to the fact that the graduated fee schedule does not make allowances for other dependents at home or in a college other than Michigan State University, medical expenses, or business losses. The objection most often voiced publicly by opponents of the graduated

fee schedule is the potential "invasion of privacy" resulting from submission of income tax information to university officials. This feature received the least amount of objection by both categories of fee preference. The clearest division between preferences for fee schedules was shown in the responses of objection and approval to the suggestion that some students pay more than others for the same services within the graduated fee schedule. Seventy-six percent of those who prefer graduated fees approve of this feature, and 87% of those who prefer flat-rate fees object.

The analysis provides some reason to believe that some parents might more readily accept a graduated fee schedule which provides for fees lower than the minimum than one which provides for fees higher than the maximum. Although the differences were slight, 35% of all parents agreed that lower fees should be provided for families whose incomes are below the minimum of \$11,800 per year, and 23% of all parents agreed that fees should be higher than \$167 for those whose incomes are above \$16,700.

The analysis shows that parents do not generally regard reduced fees, the obvious result of a graduated fee schedule, as a more desirable financial aid. Among those who prefer the graduated scale, 25% did not list reduced fees as a more desirable financial aid. Of those who prefer graduated fees, scholarships and work programs

were more desirable than reduced fees. This may be attributed to the fact that the graduated fee schedule provides a maximum saving of \$147 per academic year to any qualifying student. Scholarships often pay for all fees. At student wages of \$1.40 per hour,¹ a student would have to work 105 hours, or an average of $3\frac{1}{2}$ hours per week in order to equal the maximum fee reduction.

One final result of the analysis deserves mention and brief discussion. In response to the item asking whether extra costs of high-cost programs should be charged to the student enrolled in the high-cost program, more than half of those parents who prefer graduated fees chose the response indicating that it would depend on the program. Almost half of those who prefer flat-rate fees chose the same response. Perhaps these results are due to the nature of the item which offered an alternative to yes or no answers. The item which asked parents to indicate their preference for one of five ways to pay fees included two responses beginning with "Fees based on cost of program" One stated "with no provision for ability to pay," the other stated, "with provision for ability to pay." Twenty-seven percent chose one of these two responses. Obviously, the results are sufficiently conclusive to warrant more than speculation as to why

¹The minimum student wage at Michigan State University during 1967-68.

some parents would choose to pay fees based on the cost of the program. It would seem to indicate a philosophy toward fees quite different than those philosophies represented by choices of flat-rate fees or graduated fees.

Summary

Three-hundred forty-five usable questionnaires provided the data for the study. One family had two students for which questionnaires were returned, and of the 344 families, the average number of dependent children was 2.6 per family. The average number of children enrolled in college was 1.3 per family. Of the 345 students represented by the responses, 175 were men, and 170 were women. Of all students, 70% lived on campus; 5% lived at home; and 25% lived off-campus. None lived with relatives while attending school.

Test Hypothesis I stated that more parents will indicate a preference for the suggestion that students should pay at least a part of their instructional costs than will indicate a preference for no fees. Only 7% of the parents indicated that a student and/or his parents should pay none of the instructional cost. The hypothesis was accepted.

Test Hypothesis II stated that more parents will indicate a preference for a flat-rate per term fee than will prefer a graduated fee schedule. The item upon which the hypothesis and findings were

based made an explanation of two proposed fee schedules: a flat-rate fee of \$143 per term and the Michigan State University graduated fee schedule. Parents were asked to indicate which fee schedule they would prefer if they could vote "today." Forty-seven percent chose the flat-rate fee schedule, and 51% chose the graduated fee schedule. The hypothesis was rejected.

Test Hypothesis III stated that parents who prefer flat-rate tuition fee will report higher incomes than will parents who prefer a graduated fee schedule. Parents were asked in the questionnaire to indicate their annual incomes within categories. The numbers of parents who indicated one of the seven income categories were separated by their preferences for the flat-rate fee schedule or the graduated fee schedule. Chi-square analysis revealed a significant difference beyond .001. The hypothesis was accepted.

Test Hypothesis IV stated that parents who prefer a flat-rate tuition fee will report higher parental contributions than will parents who prefer a graduated fee schedule. Parents were asked to indicate, within a category, the estimated amount they contributed to their student's costs of going to college. The nine categories of expenditures, including "none," were separated by parents' preferences for one of the two alternative fee schedules. The chi-square test indicated significant differences in responses within the categories beyond .001. The hypothesis was accepted.

Test Hypothesis V stated that parents who prefer a graduated fee schedule will more likely prefer a graduated state income tax than will parents who prefer a flat-rate fee schedule. Parents were asked to express their attitudes as to whether the Michigan state income tax should remain flat-rate or should be graduated. Parents could also choose an undecided response. Once again, the responses were separated by preferences for one of the two alternative fee schedules. The resulting chi-square test indicated significance beyond .001 and the hypothesis was accepted.

Test Hypothesis VI stated that parents who identify themselves as Democrats will more likely prefer the graduated fee schedule than will parents who identify themselves as Republicans. Parents were asked to indicate the political party with which they most closely identify, or to specify a third choice. The third choice chosen by all of those who specified other than Republican or Democrat was classified as "independent," "non-partisan," or "vote for man, not party." In this test, the third choice was dropped, and the preference of Republican and Democrat were compared by preference for one of the two alternative fee schedules. The chi-square test showed significance beyond .01. The hypothesis was accepted.

Test Hypothesis VII stated that parents whose students received a fee reduction will more likely prefer the graduated fee schedule than

will parents whose students did not receive a fee reduction. Parents were asked to indicate whether they or their student had received a fee reduction, had applied but not received a fee reduction, or had not applied. Those who applied but did not receive a fee reduction were combined with those who did not apply in order to form one category of "did not receive fee reduction." The chi-square test was performed by comparing the two categories of "received fee reduction" and "did not receive fee reduction" with the preferences for fee schedules. The result showed significance beyond .001 and the hypothesis was accepted.

Other results of the analysis were presented. Five features of the graduated fee schedule were examined in order to determine parents' acceptance or rejection. Parents in both categories of fee schedule preference objected most strongly to the fact that the graduated fee schedule is based on gross income and the number of children attending Michigan State University from one family and does not allow for children in other colleges, dependent children at home, medical expenses, or business losses. Greater significance between the categories of fee schedule preferences resulted in the differences between approval and rejection of the fact that with the graduated fee schedule, some students pay more than others for the same services. Those parents who prefer flat-rate fees tended to object to the feature

and those parents who prefer graduated fees tended to approve the feature. Those who prefer a flat-rate schedule also display significantly more objection than those who prefer the graduated fee schedule to the statement that the graduated fee schedule requires submission of the federal income tax form in order to be considered for a fee reduction.

Differences between preferences for the two fee schedules persisted in two items which suggested that the minimum fee schedule and the maximum fee schedule should be lower and higher respectively. Those who prefer flat-rate fees tend to disagree that fees should be lower than \$118 per term for families whose annual incomes were less than \$11,800 while those who prefer graduated fees tend to be slightly in agreement. Those who prefer flat-rate fees disagree even more strongly that fees should be higher than \$167 per term for families whose yearly incomes are more than \$16,700. Parents who prefer graduated fees, however, tended to be undecided on this item.

Parents were asked to indicate their preference for financial aids. Work programs, scholarships, and loans tended to be the most desirable, in that order. No fees and reduced fees received little attention, as did grants. Parents who prefer flat-rate fees tend to prefer loans and work programs somewhat more than parents who prefer graduated fees. The latter group were more likely to choose

reduced fees as a desirable financial aid, but not to the same extent as they prefer work programs, loans and scholarships.

Following an explanation that some programs of instruction cost more, parents were asked to indicate whether extra costs should be charged to the student enrolled in high-cost programs. Parents who prefer flat-rate fees are more likely to favor charging higher fees for high-cost programs than parents who prefer graduated fees.

Fifty percent of all parents would not object to a state system of fee reductions. Parents who prefer flat-rate fees tend to object; parents who prefer graduated fees tend not to object.

No significant differences resulted in preferences for one of the two alternative fee schedules when numbers of children were considered. The data included information pertaining to number of children claimed on the 1967 income tax return, number of children enrolled in college, number enrolled at Michigan State University, number of children who have ever enrolled in a college or university, and number of children remaining at home who were expected to attend college.

CHAPTER V

SUMMARY AND CONCLUSIONS

Summary

This study examines the attitudes of parents of Michigan State University students toward fees and fee schedules, with particular emphasis on the Michigan State University graduated fee schedule based on family income. A historically and philosophically developed rationale examines a pattern of evolvement of tuition fee charges in public institutions of higher education toward tuition-free public higher education.

In July, 1967, the fee schedule for Michigan resident undergraduate students at Michigan State University was revised to include provision for fee reductions to students whose parents' annual gross incomes were less than \$16,700. The per-term fee during 1967-68 for any student qualifying for a fee reduction was equal to 1% of the parents' annual gross income, with a maximum fee of \$167 and a minimum fee of \$118. Within the Michigan State University fee

schedule, a copy of the parents' federal income tax form for the calendar year preceeding the academic year, and supporting W-2 forms must be submitted to a University fee determinations office before a fee reduction is granted. Any family enrolling more than one child at Michigan State University is eligible for the minimum fee charge for all but the first child enrolled, who is eligible for a fee charge according to the parents' income.

The Michigan State University graduated fee schedule signaled a departure from the traditional method of charging all students a flat-rate tuition fee, regardless of economic need or chosen program of study. The inception of a graduated fee schedule based on a calculation of a student's or his parents' ability to pay presented a new approach to the problem facing the American society in providing higher education to all economic segments of society. The graduated fee schedule adopts the concept of "ability to pay" which has been applied to student financial aids. Although Michigan State University uses the guidelines of the College Scholarship Service to award scholarships, loans, work opportunities, and grants, the graduated fee schedule differs in that parents' gross income alone determines the ability to pay. The College Scholarship Service guidelines recommend allowances for dependents at home, dependents enrolled in other colleges, and other expenditures and losses approximating a calculation of "net" ability to pay.

American society has demonstrated historically its intent that public education should be provided for all members at a cost which prohibits no qualified student from attending school or college. Public elementary schools have been tuition-free in Michigan since the abolishment of the rate bill system in 1869. The Kalamazoo case in 1872 established that the use of tax money to support public high schools was legal in Michigan. An act of 1817 by the Territory of Michigan sought to establish a tuition-free university system. Although unsuccessful, that effort led to provision for a state university in the 1835 constitution of the State of Michigan which specified that the institution was to be open to all residents of the state without charge for tuition. Michigan colleges and universities have subsequently levied student fees in lieu of tuition.

Statistics of the United States Office of Education show that tuition fees for public four-year colleges and universities in the U. S. rose 42% in constant 1966 dollars between 1956 and 1966. Projected figures for 1976 estimate a rise of 32% in constant 1966 dollars over 1966 charges. The average current expenditure per student for instructional costs in all public colleges and universities rose 15% in constant 1966 dollar figures between the period 1956 to 1966, and is expected to rise 11% between 1966 and 1976. According to figures of the United States Department of Health, Education, and Welfare,

tuition fees accounted for 10% of a public college student's costs in 1931. In 1947, the proportion began to rise until in 1967, average tuition fees in public colleges and universities accounted for 16% of a student's total costs.

Higher tuition fee charges in public institutions of higher education are attributed to rising costs and proportionately lower legislative appropriations. Rising costs in colleges and universities are the result of an attempt to lower faculty-student ratios, to improvement of teaching, to the higher costs of buildings and equipment, to expanded graduate offerings, to increased emphasis on research and extension, and to increased enrollments. Although appropriations to public colleges and universities have continued to rise, the increased amounts have generally not met the needs of the institutions. The result has been an increase of student tuition fees.

Higher tuition fees have not been accompanied by a decrease in enrollments. An increasing demand for higher education along with provision for increased enrollments in existing institutions and the establishment of new institutions, particularly community-junior colleges, has resulted in statistics which show that in 1965, for each 100 persons within the 18-21 year age group, 46 were enrolled in institutions of higher education.

A societal concern for financially less fortunate children has led to an expansion of financial aid which will allow financially

needy students to attend college. Student financial aid is presently provided by scholarships, loans, work-study programs, and grants, supported by institutions of higher education, private donors and public funds. Lower tuition fee charges would mean less reliance on financial aids, but higher taxes for higher education, if expenditures are continued at present levels. Proponents of low tuition fee rates justify their argument by pointing out the advantages of higher education to a democratic society in terms of increased productivity and enlightened citizenship. Proponents of high tuition fee rates note the higher incomes earned by college graduates and the reluctance of society to provide higher education to a minority of citizens who attend college.

The rationale contends that as the numbers attending college increase, and society determines that higher education should not be denied citizens because of its cost, the pattern of evolvement toward free public higher education will approximate the pattern experienced by elementary and secondary education. The question raised by the thesis is whether graduated fees based on ability to pay is within this pattern. Since parents of students are voters and taxpayers, their attitudes and opinions toward the Michigan State University graduated fee schedule and toward tuition fees in general were analyzed.

The questionnaire study was conducted in May, 1968. Questionnaires were mailed to parents of 515 undergraduate, unmarried,

Michigan-resident students enrolled at Michigan State University for Spring term, 1968. Three hundred sixty-seven questionnaires were returned for a return rate of 71.6%. Fourteen of the questionnaires were returned by self-supporting students and eight were unusable. The analysis used 345 questionnaire responses.

The major findings of the study as reflected by the hypotheses follow. Only 7% of the respondents expressed an opinion that students should not be required to pay any part of their instructional cost. Twenty-three percent felt that students should pay one-quarter to one-third of the instructional cost, and 37% held the opinion that the amount a student and/or his parents should pay for instructional costs should depend on need and ability to pay. Fifty-one percent of the parents represented in the study prefer the Michigan State University graduated fee schedule based on family income and the number of children enrolled, over a flat-rate fee for all students. Forty-seven percent of the parents prefer the flat-rate fee. Parents who earn higher annual incomes and contribute larger amounts to their student's cost are more likely to prefer a flat-rate schedule than parents who earn lower annual incomes and contribute less to their student's costs. Parents who feel that the Michigan state income tax should continue to be levied at a constant percentage (flat-rate) are more likely to prefer flat-rate fees, while parents who feel that the state income tax should be levied

at a percentage graduated according to income (graduated) are more likely to prefer the graduated fee schedule. Democrats are more likely to prefer graduated fees than Republicans, although 46% of Republicans prefer the graduated fee schedule over a flat-rate schedule. Parents of students who received the fee schedule are more likely to prefer the graduated fee schedule, although more than one-third of those who prefer flat-rate fees received a fee reduction and more than one-third of those who prefer graduated fees did not receive a fee reduction.

Other results of the analysis follow. Seventy-two percent of all parents object to a feature of the graduated fee schedule which requires submission of the federal income tax form in order to be considered for a fee reduction. Parents tend to disagree more with a suggestion that the graduated fee schedule should provide higher fees for students from families whose incomes are higher than \$16,700, than they are to disagree with a suggestion that the graduated fee schedule should provide lower fees for students from families with incomes lower than \$11,800. Parents do not consider fee reductions as more desirable than scholarships, work programs, or loans, when fee reductions are listed as a financial aid. Among all parents, scholarships tend to be the most desirable, followed by work programs and loans in close order. Fifty percent of the respondents

would not object to a state system of fee reductions for students in state colleges and universities.

Conclusions

Following are the major conclusions of the study:

1. Eighty-six percent of Michigan State University parents hold the opinion that students and/or parents should pay some part of the student's instructional costs. The evidence shows that, in general, parents feel that the amount students and/or their parents should be required to pay should either depend on a student's or parents' need and ability to pay or approximately one-quarter to one-third of the instructional costs.
2. Michigan State University parents are almost evenly divided in their preference for either a graduated fee schedule based on family income and the number of children enrolled at Michigan State University, or a flat-rate fee schedule. Parents who earn annual incomes of \$16,000 or more are likely to prefer a flat-rate fee schedule. Parents who contribute more than the average amount contributed by parents to their college student's costs are likely to prefer a flat-rate schedule. Parents who are Democrats are more likely to prefer the graduated fee schedule than parents who are

Republicans. Parents who express the opinion that the Michigan state income tax should be levied at a flat-rate percentage are more likely to prefer flat-rate fees than are parents who prefer a graduated state income tax. Parents whose students receive a fee reduction are more likely to favor the graduated fee schedule.

3. Michigan State University parents object most to the feature of the graduated fee schedule which does not make allowances for dependents in other colleges, other dependents, medical expenses, or business losses. Parents who prefer the graduated fee schedule approve the feature of the graduated fee schedule in which some students pay more than others for the same services. Parents who prefer flat-rate fees tend to object to this feature. More parents approve than object to the requirement for submission of the federal income tax form in order to be considered for a fee reduction under the graduated fee schedule. Parents are more likely to agree that the graduated fee schedule should provide for fees lower than \$118 per term for students from families whose incomes are lower than the minimum under the graduated fee schedule than they are to agree that fees should be higher than \$167 per term for students from families whose incomes are higher than the maximum.

4. Michigan State University parents tend to consider scholarships, work programs, and loans more desirable than fee reductions.
5. Michigan State University parents are evenly divided on the question of a state system of fee reductions for students in all state colleges and universities. Half of the parents would not object, half would object.

Discussion

The suggestion that college education be provided without cost for tuition fees is not a new one. Similarly, the idea that charges be assessed for elementary and secondary education was prevalent in colonial America. In contemporary society, however, the predominant practice is to provide elementary and secondary education free of charge to those students attending elementary and secondary schools and to charge for higher education. From the evidence provided by this study, parents of college students, at least those parents of Michigan State University students, clearly feel that students and/or their parents should pay something for attending college. Judging by the very small percentage who indicated that no fees should be charged, one can conclude that the idea of no fees is almost unthinkable among parents of college students.

There is, however, some evidence that parents prefer to pay less than they might. Parents whose students received a fee reduction tended to prefer a system of fee reductions under the graduated fee schedule. Parents whose incomes were sufficiently high so as to prevent their receiving fee reductions tended to prefer the suggested flat-rate fee, which would have meant lower fees than they paid under the graduated fee schedule. Those who complain that a system of graduated fees is inequitable, discriminatory, and tantamount to double taxation, may be overlooking the fact that flat-rate fees are subject to the same criticism. One prominent objection to the graduated fee schedule, particularly by those who prefer flat-rate fees, is the requirement for submission of income data to university officials. Increased financial aids have been offered as the best alternative to a graduated fee schedule. Application for financial aid includes the necessity of submitting family financial information.

Increased financial aid necessarily means increased public expenditures and increased fees, unless private donors and private lending agencies alone provide scholarships and loans. Although data are not available for confirmation, it is suggested that work opportunities within an institution would diminish considerably if federal support for 80% to 85% of a student's wages were removed,

as presently provided under the work-study program. If higher education is to be provided to children of lower income families, the costs of higher education must be within their reach. The question posed by this dilemma is twofold: (1) to what extent will the majority of citizens permit a special categorization of "lower-income" students and (2) at what point will the majority of citizens demand that the lower costs provided to "lower-income" students be extended to all students? If the pattern of free public education as exhibited by elementary and secondary education is repeated, the two questions above are significant. Also, departures from the traditional flat-rate fee system may be indications that an evolvement toward no fees is beginning.

It is appropriate to ask the importance of such an analogy. If it can be believed that higher education will eventually be offered without tuition fee charges, of what significance is such knowledge? The answer lies within the realm of the philosophy of behavioral science. Kaplan's statements are pertinent:

The application of behavioral science to policy is most self-conscious, deliberate, and explicit by way of planning, which may be defined as the enterprise of facilitating decisions and making them more realistic and rational. Decisions are facilitated as choices are made more clear-cut, and alternatives are more concretely and specifically demarcated. Decisions

become more realistic as the values they involve are confronted with facts, and ideals are translated into concrete objectives.¹

Implications for Further Research

Administration of an institution of higher education is a complex and involved operation. The general public does not come in contact with the philosophies and policies of higher education in the way that it does with elementary and secondary education. While voters are intimately concerned with the problems of the public schools, through local boards and local taxation, the problems of colleges and universities are brought to the voters through candidates for office running in larger districts, and often, as is the case in Michigan, through state election of legislators or members of boards of control. If problems of access and finance of higher education are to be ultimately decided by the will of the people, some knowledge of the extent of familiarity on the part of the general voting public in regard to higher education would be valuable. It appears that parents of prospective college students are provided more information on how to secure a college education for their child rather than how to improve it, or how to alleviate the problems for future college students. Research providing some indication of the need for more complete

¹Abraham Kaplan, The Conduct of Inquiry (San Francisco: Chandler Publishing Company, 1964), p. 403.

communication between public institutions of higher education and citizens should be encouraged.

Parents are not the only qualified group to comment on a graduated fee schedule based on ability to pay. Of particular interest would be parents of students who do not plan to attend college because of the cost. The basic problem of any fee schedule which takes into account a student's, or his family's ability to pay is to determine which income level, or what financial situations should benefit from a system of fee reductions. In view of the strong objection on the part of parents in this study to a feature of the Michigan State University plan which does not allow for children in other colleges, other dependents, medical expenses, or business losses, an investigation of the applicability of guidelines similar to those of the College Scholarship Service to an ability to pay fee system should be examined.

Some investigation of the ramifications of the various financial aids would be helpful. Scholarships are criticized because they tend to help only those with outstanding high school achievement records. Loans are discouraged by some because of the burden they place on a student after graduation, and the peculiar situation created by female students who wish to marry following graduation before the loans are repaid. It is generally shown that students who work during

college earn grades at least as high as those who do not work. It would be interesting to know more about the nature of work programs and those who elect to work in order to attend college as well as to learn about those who do not attend college because of the fear that working while in college may produce grades too low to allow continuance in college.

Finally, it is recommended that studies of parents' reactions be conducted whenever an institution of higher education deviates from the traditional flat-rate tuition fee charge. An additional suggestion would be to conduct a replication of this survey at the end of the second year of the graduated fee schedule policy at Michigan State University.



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APPENDIX A

A STUDY OF PARENT'S ATTITUDES TOWARD STUDENT FEES

Either parent may complete the questionnaire. Mark your answers on these pages. If more than one child from your family is enrolled at Michigan State University, answer for the student whose name appears on the envelope in which this questionnaire was received.

1. How many unmarried, dependent children did you claim on your 1967 income tax return?... ☐
2. How many unmarried, dependent children in your immediate family are presently enrolled in a college or university?..... ☐
3. How many unmarried, dependent children from your immediate family are now enrolled at Michigan State University?..... ☐
4. How many children from your immediate family have ever enrolled in a college or university, including those presently enrolled?..... ☐
5. How many unmarried, dependent children remain in your immediate family whom you expect will attend college, not counting those already attending, or those who have attended? ☐
6. Does your student currently have a scholarship which pays all or part of his or her fees?
___ Yes
___ No
7. While attending MSU, where does your student live?
___ In my home.
___ On campus.
___ In the home of a relative off campus.
___ Off campus, but not in the home of a relative.
8. This item asks for an estimate of the dollar amount parents contribute, if any, to the student's costs of going to college, not counting those contributions the student makes, or scholarships, loans, or grants the student receives. Please indicate the category within which your estimate falls, for the amount you (and your spouse) will contribute to your student's total college expenses for this current year, September to June.
a. ___ None
b. ___ \$1-\$399 e. ___ \$1200-\$1599 h. ___ \$2400-\$2799
c. ___ \$400-\$799 f. ___ \$1600-\$1999 i. ___ \$2800-\$3199
d. ___ \$800-\$1199 g. ___ \$2000-\$2399 j. ___ \$3200 or more
9. The state of Michigan contributes to the cost of your son's or daughter's college education through appropriations to Michigan State University. Not including the cost of books, room, board, travel expenses, clothing, and personal expenses, the cost of instruction alone for one student for one year (September to June) is approximately \$1600. You or your student pays a part of the instructional cost through fees; the rest comes from state appropriation. In your opinion, what part of the instructional cost should a student and/or his parents be required to pay?
___ All of the instructional cost
___ Two-thirds to three-quarters of the instructional cost
___ About one-half of the instructional cost
___ One-quarter to one-third of the instructional cost
___ None of the instructional cost
___ Should depend on need and ability to pay

10. Some programs of instruction cost more than others because of special facilities or special equipment, and small classes or individualized instruction. Should these extra costs be charged to the student who is enrolled in these high-cost programs?
- ☐ Yes, students should pay extra costs, or proportionately higher charges for high-cost programs.
- ☐ No, students should not pay extra costs, or proportionately higher charges for high-cost programs.
- ☐ It would depend on the program. Perhaps some programs should require higher charges, perhaps others should not.
11. Do you think that Michigan State University should continue to provide financial aid to those students who qualify for entrance but lack the money to attend?
- ☐ Yes, the University should provide aid to need students.
- ☐ No, the University should not provide aid to need students.

* * * * *

Some of the items in this questionnaire ask about the current fee schedule at Michigan State University. Presently, full-time students (10 credits or more) must pay \$167 per term, unless they apply for, and receive a reduction in fees. In order to apply for a fee reduction, the parents' latest federal income tax return and supporting W-2 forms must be submitted. If the parents' gross income (before taxes and deductions) is less than \$16,700 annually, the per-term fee charged the student is 1% of the annual income down to a minimum of \$118 (equal to \$11,800 annual income). Families who have more than one child attending Michigan State University will pay the minimum (\$118 per term) for the second child, regardless of annual income. The fee we are talking about includes only tuition or fees charged to all students, and does not include fees for special services, room, or board.

* * * * *

12. Have you or your student applied for a fee reduction from MSU?
- ☐ Yes, and a fee reduction was allowed.
- ☐ Yes, but no fee reduction was allowed.
- ☐ No.
13. Prior to this year, all full-time students at Michigan State University were charged the same fee. At the time a fee increase was being discussed, one recommendation was to charge a flat-rate of \$143 per term. The other was the graduated fee schedule, which was adopted. If you could vote today on the alternatives, which would you prefer?
- ☐ The flat-rate fee of \$143 per term for all students.
- ☐ The graduated fee schedule based on family income and the number of children enrolled, ranging from \$118 to \$167 per term.

* * * * *

Below are some features of the graduated fee schedule at Michigan State University. Please indicate your attitude toward each by choosing a response within the columns on the right according to the following scale:

col. 1 Strongly Approve
col. 2 Somewhat Approve
col. 3 Undecided
col. 4 Somewhat Object
col. 5 Strongly Object

- | | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| 14. The graduated fee schedule requires submission of the federal income tax form in order to be considered for a fee reduction..... | | | | | |
| 15. With the graduated fee schedule, some students pay more than others for the same services..... | | | | | |
| 16. The graduated fee schedule is based on gross income and the number of students from one family attending MSU, and does not make allowances for children attending other colleges, other dependents in a family, medical expenses, or business losses..... | | | | | |

What is your reaction to the following two statements?

17. The graduated fee schedule should provide for fees lower than \$118 per term for students from families whose incomes are lower than \$11,800 per year.

☐ I agree
☐ I disagree
☐ Undecided

18. The graduated fee schedule should provide for fees higher than \$167 per term for students from families whose incomes are higher than \$16,700 per year.

☐ I agree
☐ I disagree
☐ Undecided

* * * * *

19. There are several ways a university can help financially needy students to pay fees. Please indicate your order of preference in regard to the kinds of help listed below by placing 1 before the most desirable, 2 before the next most desirable, etc. If you wish to indicate a combination of these aids, give those you wish to combine the same number.

<input type="checkbox"/> No fees	<input type="checkbox"/> Loans
<input type="checkbox"/> Reduced fees	<input type="checkbox"/> Grants of money
<input type="checkbox"/> Scholarships	<input type="checkbox"/> None of these (or, specify your own, if you wish)
<input type="checkbox"/> Work programs	

20. Which of the following ways of charging fees do you prefer? (check one only)

☐ No fees (state government provides funds lost)
☐ Flat-rate (everyone pays the same)
☐ Graduated fees based on ability to pay
☐ Fees based on cost of program with no provision for ability to pay
☐ Fees based on cost of program with provision for ability to pay
☐ Other (please specify)

21. Would you object to a system in which an agency of the state of Michigan approved reductions in fees for needy students wishing to attend any state college or university and then reimbursed the college or university the amount of the reduction granted?

☐ Yes, I would object to a state system of fee reductions.
☐ No, I would not object to a state system of fee reductions.

22. People's attitudes toward fee schedules may be due to their political inclinations and/or their feelings in general about taxes and charges for public services. Is this true in your case?

☐ Yes
☐ Somewhat
☐ No
☐ Undecided

23. Please indicate the political party with which you most closely identify:

☐ Republican
☐ Democrat
☐ Other (specify) _____

24. Please express your attitude about the Michigan state income tax as follows:

☐ should remain flat-rate
☐ should be graduated
☐ undecided

25. Please indicate the highest educational level attained by the student's mother:
- | | |
|--|--|
| <input type="checkbox"/> Eighth grade or under | <input type="checkbox"/> Bachelor's degree |
| <input type="checkbox"/> Some high school | <input type="checkbox"/> Some graduate work |
| <input type="checkbox"/> High school graduate | <input type="checkbox"/> Completed a graduate degree |
| <input type="checkbox"/> Some college | |
26. Please indicate the highest educational level attained by the student's father:
- | | |
|--|--|
| <input type="checkbox"/> Eighth grade or under | <input type="checkbox"/> Bachelor's degree |
| <input type="checkbox"/> Some high school | <input type="checkbox"/> Some graduate work |
| <input type="checkbox"/> High school graduate | <input type="checkbox"/> Completed a graduate degree |
| <input type="checkbox"/> Some college | |
27. Of the following categories, which one includes your total income (before deductions) as reported on your federal income tax return for 1967? (include incomes of both mother and father)
- a. ☐ \$6000 or less
 - b. ☐ Between \$6000 and \$8000
 - c. ☐ At least \$8000, but less than \$10,000
 - d. ☐ At least \$10,000, but less than \$12,000
 - e. ☐ At least \$12,000, but less than \$14,000
 - f. ☐ At least \$14,000, but less than \$16,000
 - g. ☐ \$16,000 or more
28. This questionnaire is being answered by:
- | |
|--|
| <input type="checkbox"/> Mother of the student |
| <input type="checkbox"/> Father of the student |

THANK YOU FOR COMPLETING THE QUESTIONNAIRE.
PLEASE PUT THE QUESTIONNAIRE IN THE RETURN
ENVELOPE AND MAIL AS SOON AS POSSIBLE.

141 E. Barnes Ave.
Lansing, Michigan
May, 1968

Dear Michigan State University Parent:

As part of my work as a doctoral student of college and university administration, I am seeking to determine parents' attitudes toward tuition fee charges. This study will be of great value to colleges and universities throughout the country as they seek to improve their fee schedules. For this reason, it is important that your responses to the items in the enclosed questionnaire be included.

The study is independent of any sponsorship by the University administration, the Board of Trustees, or the Michigan Legislature. Your answers to the questions WILL NOT IN ANY WAY BE CONNECTED WITH YOUR NAME, OR THE NAME OF YOUR SON OR DAUGHTER. The questionnaire is numbered so that I can be sure that all questionnaires are returned. Once the questionnaire has been received and the responses transferred to a computer card, the questionnaire will be destroyed to guarantee your privacy.

The questionnaire is very simple to complete, and should take about ten minutes. All you have to do is mark your answers on the questionnaire, place it in the addressed, stamped envelope provided and return it to me by mail as soon as possible. Thank you very much for participating.

Sincerely,



Donald R. Gillette

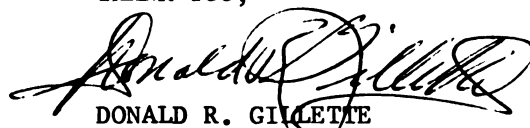
141 E. BARNES AVE.
LANSING, MICHIGAN
JUNE 4, 1968

DEAR MICHIGAN STATE UNIVERSITY PARENT:

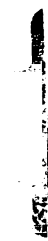
A QUESTIONNAIRE WAS MAILED TO YOU ABOUT TWO WEEKS
AGO CONCERNING THE FEES THAT YOU AND/OR YOUR STUDENT
PAYS TO ATTEND COLLEGE. THE RESPONSE TO THAT QUESTIONNAIRE
HAS BEEN VERY INTERESTING, BUT IT CANNOT BE CALLED COMPLETE
UNLESS YOUR RESPONSES ARE INCLUDED.

WON'T YOU PLEASE TAKE A FEW MINUTES TO FILL OUT THE
QUESTIONNAIRE AND SEND IT BACK TO ME, IF YOU HAVE NOT
ALREADY DONE SO? THE STUDY WILL BE MUCH MORE RELIABLE IF
YOUR OPINIONS ARE COUNTED.

THANK YOU,



DONALD R. GILLETTE



141 E. Barnes Ave.
Lansing, Michigan
June, 1968

Dear Michigan State University Parent:

About a month ago a questionnaire was mailed to you in an attempt to gather the opinions and attitudes of Michigan State University parents toward fees and fee schedules. The response to that questionnaire was very good. It is important that I receive some response from each of those who were mailed the questionnaire. According to my records, your questionnaire was not returned.

Would you be kind enough to provide the information requested on the questionnaire and return it to me soon? Another questionnaire and a stamped, return envelope are enclosed in case you have misplaced the original mailing. As before, privacy is guaranteed; no connection between your responses and your name or your student's name will be made. Since the school year has now ended, please consider the questions as if you were answering during Spring Term.

Thank you very much. The study will be better because you have helped. If you have already returned your questionnaire, please disregard this mailing.

Sincerely,



Donald R. Gillette

TABLE B. 1. -- Numbers of children* claimed on 1967 income tax return
(337 Respondents)

	Total	0		1		2		3		4		5		6		7		8		9	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prefer Flat-Rate	163	2	1%	41	25%	52	32%	34	21%	19	12%	8	5%	3	2%	3	2%	1	1%	0	
Prefer Graduated	174	6	3%	44	25%	33	19%	41	24%	29	17%	9	5%	8	5%	2	1%	1	1%	1	1%

χ^2 : 12.279

Degrees of Freedom: 9

Significance: None

*Unmarried, dependent

TABLE B.2. -- Numbers of children* enrolled in college or university
(337 Respondents)

	Total	0		1		2		3		4	
		No.	%	No.	%	No.	%	No.	%	No.	%
Prefer Flat-Rate	163	7	4%	111	68%	37	23%	7	4%	1	1%
Prefer Graduated	174	10	6%	107	62%	49	28%	8	5%	0	

χ^2 : 2.988

Degrees of Freedom: 4

Significance: None

*Unmarried, dependent

TABLE B. 3. -- Numbers of children* enrolled at Michigan State University
(337 Respondents)

	Total	0		1		2		3	
		No.	%	No.	%	No.	%	No.	%
Prefer Flat-Rate	163	5	3%	138	85%	19	12%	1	1%
Prefer Graduated	174	7	4%	139	80%	28	16%	0	

163

X^2 : 2.704

Degrees of Freedom: 3

Significance: None

*Unmarried, dependent

TABLE B. 4. -- Numbers of children* who have enrolled in a college or university
(337 Respondents)

	Total	0		1		2		3		4		5		6		7	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prefer Flat-Rate	163	3	2%	66	41%	65	40%	21	13%	7	4%	1	1%	0		0	
Prefer Graduated	174	5	3%	68	39%	68	39%	22	13%	8	5%	2	1%	0		1	1%

X^2 : 1.663

Degrees of Freedom: 6

Significance: None

*Unmarried, dependent

TABLE B.5. -- Numbers of children* expected to attend college
(337 Respondents)

	Total	0		1		2		3		4		5		6	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prefer Flat-Rate	163	56	34%	59	36%	28	17%	10	6%	6	4%	3	2%	1	1%
Prefer Graduated	174	65	37%	49	28%	35	20%	14	8%	6	3%	4	2%	1	1%

χ^2 : 2.827

Degrees of Freedom: 6

Significance: None

*Unmarried, dependent

TABLE B. 6. -- Student scholarship* status by parents' fee schedule preference
(337 Respondents)

Parents Prefer	Student Has Scholarship		Student Does Not Have Scholarship	
	No.	%	No.	%
Flat-Rate Fees	21	13%	142	87%
Graduated Fees	61	35%	113	65%
Totals	82	24%	255	76%

X^2 : 22.475 Degrees of Freedom: 1 Significance: Beyond .001

*See item 6 of questionnaire.

TABLE B. 7. -- Students' place of residence while attending Michigan State University by parents' fee schedule preferences
(337 Respondents)

Parents Prefer	Student Lives In Parents' Home		Student Lives On Campus		Student Lives Off Campus		Student Lives with Relatives
	No.	%	No.	%	No.	%	
Flat-Rate Fees	9	6%	116	71%	38	23%	0
Graduated Fees	6	3%	118	68%	50	29%	0
Totals	15	5%	234	69%	88	25%	0

X^2 : 1.896 Degrees of Freedom: 2 Significance: None

TABLE B. 8. -- Education level of mothers by parents' preferences for fee schedules

	Parents Prefer Flat-Rate Fees		Parents Prefer Graduated Fees		Totals	
	No.	%	No.	%	No.	%
Eighth Grade or Less	5	31%	11	69%	16	5%
Some High School	7	27%	19	73%	26	8%
High School Graduate	59	45%	72	55%	131	39%
Some College	50	52%	46	48%	96	28%
Bachelor's Degree	13	57%	10	43%	23	7%
Some Graduate Work	13	72%	5	28%	18	5%
Completed Graduate Degree	15	60%	10	40%	25	7%
No Answer	1	50%	1	50%	2	1%
Totals	163		174		337	

X^2 : 13.848 Degrees of Freedom: 7 Significance: Beyond .10

TABLE B. 9. -- Education level of fathers by parents' preferences for fee schedules

	Parents Prefer Flat-Rate Fees		Parents Prefer Graduated Fees		Totals	
	No.	%	No.	%	No.	%
Eighth Grade or Less	4	18%	18	82%	22	7%
Some High School	9	24%	28	76%	37	11%
High School Graduate	33	37%	56	63%	89	26%
Some College	52	63%	31	37%	83	25%
Bachelor's Degree	25	57%	19	43%	44	13%
Some Graduate Work	12	57%	9	43%	21	6%
Completed Graduate Degree	27	68%	13	32%	40	12%
No Answer	1	100%	0		1	.3%
Totals	163		174		337	

X^2 : 36.750 Degrees of Freedom: 7 Significance: Beyond .001

TABLE B. 10. -- Parent completing questionnaire by parents' preferences for fee schedules

Parents Prefer	Mother Answered		Father Answered		Both Answered		Totals
	No.	%	No.	%	No.	%	
Flat-Rate Fees	52	32%	84	51%	27	17%	163
Graduated Fees	89	51%	60	35%	25	14%	174
Totals	141	42%	144	43%	52	15%	337

X^2 : 13.441 Degrees of Freedom: 2 Significance: Beyond .01

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