

**THE FINANCE OF
HIGHER EDUCATION:
Theory, Research, Policy, and Practice**

Edited by
Michael B. Paulsen
University of New Orleans

and

John C. Smart
University of Memphis

AGATHON PRESS
A division of Algora Publishing
New York

CONTENTS

The Contributors	<i>viii</i>
Introduction	
<i>Michael B. Paulsen and John C. Smart</i>	<i>1</i>
Part I: THE REVENUES, EXPENDITURES, COSTS AND AFFORDABILITY OF HIGHER EDUCATION	9
1. Trends in Revenues and Expenditures for Public and Private Higher Education	
<i>Robert K. Toutkoushian</i>	<i>11</i>
2. College Education: Who Can Afford It?	
<i>Sandy Baum</i>	<i>39</i>
Part II: ECONOMIC THEORIES AND THE FINANCE OF HIGHER EDUCATION	53
3. The Economics of Human Capital and Investment in Higher Education	
<i>Michael B. Paulsen</i>	<i>55</i>
4. The Economics of the Public Sector: The Nature and Role of Public Policy in the Finance of Higher Education	
<i>Michael B. Paulsen</i>	<i>95</i>
5. Costs and Productivity in Higher Education: Theory, Evidence and Policy Implication	
<i>Darrell R. Lewis and Halil Dunder</i>	<i>133</i>
Epilogue	<i>189</i>

6. Economic Perspectives on Rising College Tuition: A Theoretical and Empirical Exploration	
<i>Michael B. Paulsen</i>	193
Epilogue	258
Part III: FEDERAL AND STATE POLICIES AND THE FINANCE OF HIGHER EDUCATION	265
7. The Paradox of Growth in Federal Aid for College Students, 1960-1990	
<i>James C. Hearn</i>	267
Epilogue	316
8. State Efforts to Keep Public Colleges Affordable in the Face of Fiscal Stress	
<i>Michael Mumper</i>	321
Epilogue	350
9. State Policy and Private Higher Education	
<i>William Zumeta</i>	396
Epilogue	412
Part IV: TOPICS IN THE FINANCE OF HIGHER EDUCATION	417
10. The Role of Finances in Student Choice: A Review of Theory and Research	
<i>Edward P. St. John and Eric H. Asker</i>	419
11. Access to Postsecondary Education: Financing Equity in an Evolving Context	
<i>James C. Hearn</i>	439
12. Financing Private Colleges and Universities: The Role of Tuition Discounting	
<i>David W. Breneman, James L. Doti, and Lucie Lapovski</i>	461
13. The Finance of Community and Technical Colleges	
<i>Rick Voorhees</i>	480

14. College and University Budgeting: What Do We Know? What Do We Need to Know?	
<i>William F. Lasher and Deborah L. Greene</i>	501
Epilogue	534
Part V: THE FINANCE OF HIGHER EDUCATION IN THE TWENTY-FIRST CENTURY	543
15. The Finance of Higher Education: Implications for Theory, Research, Policy and Practice	
<i>Edward P. St. John and Michael B. Paulsen</i>	545
Author Index	569
Subject Index	578