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The Impacts and Outcomes of the Higher Education Act of 1965 Fifty-Five Years Later

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Abstract

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This paper will examine the evolution of the Higher Education Act from the initial passing in 1965 to now. With the implementation of the act, federal financial aid assistance for funding higher education through grants and loans has developed into a topic of public interest with heavy government involvement. Through its multiple amendments and reauthorizations, the Higher Education has morphed from a grant based program into a loan based program. With loans becoming more accessible to disadvantaged communities, career and for-profit institutions take advantage the federal financial aid programs to lure students which is responsible for creating the student loan crisis of today.

Introduction

The Higher Education Act of 1965 (HEA) was introduced under President Lyndon B. Johnson's Great Society initiative. As with many of the programs introduced under the Great Society initiative, the Higher Education Act was created to serve the lower socio-economic communities of the United States. The groups that benefitted from the HEA where students who would not otherwise be able to afford post-secondary education. The act aimed at making post-secondary education more attainable for disadvantaged students through federal grant and loan programs. A significant contributing factor that fed the poverty cycle was the lack of access to formal education available within impoverished communities. By providing people who could not afford college with low-interest loans and federal work-study programs, lower-income people were able to pursue a degree in higher education and build careers within better-paid industries. The impact and relevance of this policy implementation is as apparent now as it was during its birth in the sixties. It was the federal government's first significant attempt at creating equality within higher education.

The HEA made college accessible to many more citizens and the program expanded to encompass, grants, student loans, family loans, and college work-study programs. The Higher Education Act has evolved and expanded tremendously from its introduction in 1965. It has since had eight reauthorizations and amendments, which has expanded and shaped to our current understanding of federal financial aid. The most significant changes and expansion occurred during the 1976, 1986, 1992, and 2008 reauthorizations. Each reauthorization experienced amendments that reflected the political and social climate of its time. Congress has had to consider how reauthorizations were to affect students, colleges and universities, banks, and taxpayers. As college enrollments increased, more and more issues arose with the funding, record keeping, and process of federal funds toward higher education. By 1979, the federal government established the Department of Education to be able to keep up with the growing programs.

The Higher Education Act – 1965

The initial higher education policy enacted in 1965, focused primarily on issuing federal grants to students from low-income and impoverished backgrounds. Its long-term goal was to create a more educated society, while also assisting disadvantaged citizens with an opportunity to break the poverty cycle (Sewell, 1967). Therefore, the introduction of the HEA changed the view and relationship between the federal government and higher education. Higher education became a public interest and government became more involved in the administration of colleges and universities, including the realm of potentially influencing tuition.

Initially, the act primarily offered grants to low-income students and offered low-interest loans by increasing the ability of middle-class students to borrow from private lenders. Grants were disbursed based on the income of the student's family and were the more common source of funding disbursed by the HEA (Sewell, 1971). Loans were not as popular as they have been in recent years and eligibility was also based on the income of the student's family. Borrowing school loans under the HEA meant students were more likely to be approved from the lender and the interest would be subsidized. However, because the federal government was the intermediary between students and banks, the process created a great deal of red tape and complicated the process of borrowing funds (Wegner, 1969). When the first reauthorization approached in 1976 and there after, Congress introduced many new policies and stipulations that began to fine-tune the HEA, especially in regards to loans.

Throughout the Higher Education Act's fifty-five year existence, many political and social influences and factors created restrictions and changes in policy. Since 1965, the Guaranteed Student Loan Program has become the Stafford Student Loan Program and its expansion alone, has significantly altered post-secondary education. As the scope of the Higher Education Act and college enrollments grew, more and more colleges/universities began to open up across the nation as well. As the Stafford Loans became more accessible to students, tuition increased and career and for-profit colleges and universities began to appear and take advantage of the federal aid programs. They appealed, and continue to appeal, to students because of their claim of providing a more student focused experience and promise of career prospects upon graduation.

When considering the accessibility of federal aid, specifically loans, higher education has become more attainable throughout the years. This leads to a higher demand of post-secondary education, which leads to more colleges/universities opening up, and more debt being taken on by students. Student loans are the second highest debt incurred by Americans and currently surpassing one billion dollars. Many students graduate with thousands of dollars in loans, and some cases are not able to find jobs that would enable them to comfortable make their payments.

This paper will address the evolution of the Higher Education Act from its introduction in 1965 to the present. The research design, through expert interviews and policy change analysis, will address the factors from the HEA that played a role in the rise of student loans.

Literature Review

1976 Reauthorization

In 1976 the Higher Education Act was up for reauthorization and many significant changes and additions were introduced and adopted. The new stipulations of the policy started to slowly shape the HEA to what it is today. At this point the HEA had been in effect for twelve years and it was clear to the federal government what policies and procedures were or were not working. More restrictions for utilizing the federal funds for students and post-secondary institutions were added and as the influx of more female and minority student students increased the usage of federal financial funds, specifically loans, loan default rates had caught the attention of Congress, and the eligibility for institutions of higher education to participate in the HEA programs was expanded.

During the 1976 reauthorization, the Stafford Student Loan program began to gain momentum under the HEA. As stated by Michael Mumper in *Evaluating the Stafford Student Loan Program*, "Thus the Stafford Loan Program was never a part of the broader effort to aid the poor. Rather it was to provide a convenient source of federal aid to those students whose families earned more than the allowable limit for a Basic Grant" (p. 66). Congress had not intended for loans to gain the popularity that was to follow the 1976 reauthorization. Throughout the 1970s, baby boomers continued to graduate high school and wanted to obtain higher education through funding from the HEA. However, post-secondary tuition was increasing, along with more student enrollments as females and minorities entered the higher education sector. In 1977, the Middle Income Student Assistance Act (MISAA) removed the needs test, which approved aid based on family income eligibility requirements and loans became more accessible than before.

The expansion of the Stafford Student Loan program in 1977 eased the access to loans and generated an increased interest in borrowing student loans among many families and students. MISAA streamlined the verification process for colleges/universities, making it easier to utilize loans as a primary funding route (Johnson, 2017). By removing the needs test, MISAA detached the red tape for lenders and loans became more abundant. “Prior to MISAA about one million students were participating in the Stafford Loan Program. By 1980 that figure was two and one half million and growing rapidly” (Mumper, 1991 p. 66). Not only was it easier to borrow student loans, but the fixed interest rate of seven percent and subsidized interest further made loans more appealing. This meant that families could now afford to send more of their children to colleges and universities, thus further expanding the scope of the Stafford Student Loan Program (Ivanchev, 2014).

Naturally, the expansion of the Stafford Student Loan Program increased political support for federal financial aid programs (Gaston, 2018). However, the expansion of the loan program has unforeseen repercussions for all Title IV programs, including grants. With borrowing constantly on the rise, Congress kept designating more and more funding to the HEA. The increased loan borrowing also increased funding for subsidized interest rates and defaults, essentially surpassing the scope of the HEA’s original intended purpose and produced an unpredictable long-term cost (Mumper, 1991). Congress needed to centralize all these programs and appoint an agency that dealt with the implementation, processing, and present, future and potential issues of the HEA. Therefore, the Department of Education was formed on October 17, 1979 under President Jimmy Carter administration (Gervais, 2019).

1986 Reauthorization

During the time of the Higher Education Act of 1986 reauthorization, the Stafford Student Loan Program had become a significant part of Title IV. Loan limits increased, more attention and regulations were added to defaulted student loans, and disadvantaged students were able to apply for graduate school loans through the HEA. With each reauthorization, the access and means to a higher education became more of a public interest. The accessibility of post-secondary education to students from low socio-economic background is generally viewed as their way out of the poverty cycle, however the growing popularity of loans indebted many students before they entered the workforce. Usually, those students from low-income and middle-class backgrounds do not have financial support from their families to help with paying back loans, if the support was there to begin with, students would have not relied on loans to pay for tuition in the first place (Houle, 2014).

The HEA reauthorization of 1986 was signed in under the administration of President Ronald Reagan. Although President Reagan believed in the initial purpose of the Higher Education Act, he was also concerned about the growing cost of the policy to American taxpayers. Essentially, he wanted to refocus the program towards the students that genuinely needed federal aid to pursue a higher education (Keppel, 1987). Although the HEA made it possible for middle and upper class families to send more than one student to college and university, it opened a door of massive student debt that not only cost the student and their families, but the taxpayers. The growing scope of the HEA took more appropriation from the federal budget each year. This inadvertently made higher education policy a public interest, while placing more pressure on the federal government to create larger programs that would serve students from various socioeconomic backgrounds (Mumper, 1991).

The surge of student loan borrowing during the 1970s, after the removal of the needs test, did not decrease when the needs test was reintroduced in 1980 (Johnson, 2017). The newly established Department of Education (DOE) changed and updated the formula that was used to determine federal financial aid eligibility thus making it easier for students to qualify for loans. By 1987, under the Reagan administration, the DOE announced that all students, regardless of results of needs test could borrow loans. However, other stipulations were added to the Stafford Student Loan Program including decreasing repayment plans from a maximum of fifteen years to ten years, presented flexible polices for requesting deferments, and importantly, disqualified students from utilizing any federal financial aid if they have default on prior loans (Gervais, 2019).

During the 1986 reauthorization of the Higher Education Act is when loan defaults are identified as a pressing issue, as it is the first-time policies were being created to address the concern. Defaults created, and continued to create, unpredictable expenses for the government (Kramer, 1989). Defaulted loan decrease the overall budget allocated to DOE each year for funding federal financial aid programs. As explained by Keppel 1991 “But by that time (1986) the cost to the federal government of student financial aid had become a serious budgetary and policy issue, resulting in scare headlines about possible loss of student financial aid, increased delinquency in payment of loans, and increased debt burdens” (p.58). The scope and budget of the HEA increased as the years passed, further asserting the government’s involvement in secondary education policy and funding.

1992 Reauthorization

By the 1992 Reauthorization of the Higher Education Act, federal student loans had become the primary source of funding under Title IV. As stated by Hannah 1996, “HEA '92 is important because it authorized what by now is more than three-quarters of all financial aid available to students enrolled in postsecondary education in the United States" (p. 498). By 1992, the Higher Education Act had authorized $114 billion worth of loans to twenty million students. In the academic year of 1991-1992 alone, $13.7 billion in loans was lent to 4.7 million students throughout 8,100 colleges/universities. Interestingly, by the 1992 reauthorization fifty-five billion dollars worth of federal student loans was outstanding (Hannah, 1996). The growth in both disbursed and owned loans from the previous reauthorizations compelled Congress to revise the existing policy regarding loan deferments and increase provisions for loan default programs (Miles, 1997).

By 1992, it had become apparent that higher education was an area of public interest. As the rates of college and university enrollments grew, along with the number of post secondary institutions participating in Title IV funding, the need for more financial aid programs continued to grow as well. This led to the federal government falling deeper into higher education policy, whether it was through revisiting existing policies or creating new ones all together. Prior to the 1992 reauthorization of the HEA, loan deferments were granted with looser restrictions. For example, if a student had to act as a caretaker to an ill member of their family, they could apply for a loan deferment during that time (Klatch, 1995). However this became problematic, as it is difficult to ensure students are truthful in their claims and would further stretch the DOE's resources. Therefore, in 1992 the eligibility requirements for students were altered to include students who were currently enrolled in six or more units/credits in an institution of higher learning.

By the 1992 it was clear that the current policies has drifted away from the original intent and purpose of the Higher Education Act. The cost of obtaining a post secondary education had significantly increased since 1965 and more and more students relied on federal loans to cover the balance. The primary focus of President Johnson introducing the HEA was to provide government grants to disadvantaged Americans, however by the nineties grants became secondary to substantial increase in student loan borrowing (Ferry, 1995).

2008 Reauthorization

The 2008 Reauthorization of the Higher Education Act is the latest policy renewal and adjustment made by Congress. The 2008 recession and housing market crash influenced the policy changes that were made during the reauthorization. Also, it is important to note, that by 2008 online learning was gaining more popularity for its convenience and flexibility (Gaston, 2018). The main changes included increasing the total undergraduate aggregate limit, easing credit checks that determined eligibility for the Parent Plus loans, limiting the increase in college and university tuition, and forbidding abusive student loan practices. However the policies that placed the responsibility of implementation directly in the hands of the post secondary institution were difficult to regulate, as schools could falsify information and regulating the institutions required more resources from the Department of Education.

President George W. Bush signed the reauthorization of the HEA in 2008 with stipulations that would make borrowing federal loans simpler and more reachable for students and families. The reauthorization increased the total amount of subsidized and unsubsidized loan an undergraduate student may borrow and eased the credit check requirements for parents wanting to borrow a Parent Plus Loan. For dependent students the aggregate loan limits were increased by eight thousand dollars and eleven thousand five hundred dollars for independent students. Considering the economic events that were happening during 2008, it made sense to increase the total aggregate loan undergraduate students were able to borrow, but the long-term effect were clearly ignored (Craig, 2014).

The boom in technology had a tremendous effect on the accessibility for students to receive a degree in higher education. By 2008, online learning was vastly spreading into the higher education sector. When coupled with the job losses associated with the 2008 recession, it created a large influx of students enrolling into colleges/universities. The student demographic became more and more diverse as people who had recently become unemployed went back to school (Strach, 2009). The ease and flexibility of online learning made it much more feasible for those working full-time or busy parents to fit school into their schedules and attempt to better their lives through obtaining an education. However, many of the students relied heavily on federal loans to pay for their tuition and many college and universities were sacrificing the quality of education for higher enrollment rates.

The convenience of technology not only made a higher education more accessible to students, it also simplified the administration of federal financial aid for the Department of Education. By 2008, the scope of the Higher Education Act had far outreached anything President Johnson could have imagined, especially the Stafford Student Loan Program. Students were now able to sign-in online from anywhere complete their financial aid applications and borrow thousands of dollars worth of loans. This created an effortless, and dangerous precedent for students and institutions. The Department of Education was heavily relying on technology and this removed many obstacles from admissions and financial aid departments, specifically at career and for-profit college and universities. Students could now tour a school, complete an admissions application, and fund their education in one visit.

The predatory practices of for-profit and career institutions of higher education were enough of an issue that it was brought to the attention of the executive office. By 2010 the Department of Education was comparing employee compensation to the recruitment efforts. Many career schools were offering their admissions representatives monetary incentives for meeting and surpassing their student enrollment goals. They met student enrollments through empty promises and inflation of the services the institutions offered. Students were attracted to the ideas of completing their diplomas/degrees programs in a shorter amount of time, when compared to traditional schools, guaranteed the availability of classes, offered more face time with instructors and promised students job placement and security upon graduation. Therefore as a response to the unlawful actions of career and for-profit schools, in 2011 President Obama passed gainful employment regulations as an attempt to combat the predatory practices that encompassed student recruitments at career and for-profit schools.

During the reauthorization of the Higher Education Act, President Bush attempted to restrict and regulate the actions of college and universities by limiting increases in tuition and forbidding abusive loan practices. However, it took a couple years for the policy changes to seriously take affect. For-profit and career colleges/universities were using predatory recruitment tactics to increase student enrollment and federal financial aid was one of their key selling points. With federal loans becoming easily accessible, students were accepting loans without properly understanding how interest rates and repayment would look once they completed their diploma or degree programs. When President Obama introduced the gainful employment regulations, colleges and universities were required to show data that indicated the earnings of the student's profession reasonably compared to the cost of the education program that provided them with the diploma/degree.

By the reauthorization of the HEA, higher education had changed as more and more students took, and continue to take, non-traditional routes (Gaston, 2018). The quality of education is lost when institutions focus more on passing accreditation standards, than providing students with a wholesome education experience. It becomes hard to measure the accountability of the college and university and if students will actually be successful in their perspective fields after graduation. College and universities, specifically for-profit, were relying more and more on predatory tactics to sign-up students to programs and loans without ensuring students understood the implications of it all.

Now

The Higher Education Act has not been reauthorized since 2008, however it continues to be the deciding factor for disadvantaged students wanting to pursue higher education. Higher education is being characterized by the expanding federal financial aid programs, for-profit and career school scandals, increasing college tuition, and increasing need of a prepared workforce. Though the HEA continues to assist students from low-income and poor communities, significant factors can potential block their path out of the poverty cycle (Johnson, 2017). Twelve years after the 2008 reauthorization of the HEA, the national combined student loan debt had risen from $671 billion in 2008 to $1.5 trillion today. That is almost double the amount in less than twenty years and it is clear that relaxing eligibility requirements from federal student loans hurts the borrower, the federal government, and ultimately tax-payers (Giglotti, 2020).

Higher education has never been free in the United States. Student loans are readily available to U.S. citizens and eligible non-citizens, as long as they meet the requirements outlined within Tile IV, or the Higher Education Act (Gervais, 2019). The Department of Education has provided many former and current American students assistance with funding their education through the use of grants and, primarily, student loans. The student loan debt among Americans has grown to such a state that it is now considered a crisis. As stated by Ivanchev 2014 “In the last few years, student loan debt has hovered around the $1 trillion mark, becoming the second-largest consumer obligation after mortgages and invoking parallels with the housing bubble that precipitated the 2007-2009 recession” (p. 1).

The student loan crisis is has been ongoing since the 1970’s and only continues to increase with each passing academic year. In 2012, seventy-one percent of graduating students had some amount of student debt. It is also important to note that between 2005-2013 there was a steady growth of 13.3% among the overall national amount owed (Craig, 2014). Age, race, and income-level are important determining factors when considering the amount of loans a student borrows and whether or not they will default on the loans. Students of minority or low-income backgrounds are more likely to both borrow more loans and default on their loans, as they are more prone to the negative effects of the job market and economy (Looney, 2015). They often agree to lower paying jobs because of the financial burden and did not have the financial support of their families (Houle, 2014).

The consistent increase of tuition at institutions of higher education is a major factor in determining the nation’s growing student debt crisis. The federal government is responsible for ninety percent of lending in the student loan market (Ivanchev, 2014). Yet, federal aid is usually not enough to cover the full cost of tuition, room and board, supplies, etc. Schools, especially for-profit schools, receive little regulation in regards to setting tuition prices.

The expansion of the HEA directly affected the increase of career and for-profit college and universities. These institutions primarily rely on tuition payments to finance their operations. Therefore, tuition is significantly higher and often majors are less impacted by high student enrollment than public institutions. In addition to smaller student populations, career and for-profit colleges/universities tend to offer amenities and activities public institutions simply cannot afford (Hansmann, 2012). Also, the majority of students that attend for-profit and career colleges/universities are racial and ethical minorities who tend to have a disadvantage because of their socio-economic background. This does not align with President Johnson's purpose for passing the Higher Education. The act has come a long way from 1965, it went from a policy fighting against poverty to indebting the disadvantaged.

Research Design

Research Question and Objective

From 1965 to now, the Higher Education Act has made numerous amendments and policy changes. The purpose of the act has departed from its initial purpose of providing financial assistance to low-income students. The Higher Education Act still opens many doors for low-income students, but the ease with which a student can borrow a loan coupled with the rising cost of tuition, leaves many students indebted before they even receive their degrees. Therefore the question must be asked: What factors played a role in the rise of student loans that created the student loan crisis?

Methodology

Descriptive and qualitative research designs will be conducted that will showcase the database regarding the research question. The research designs will follow with information pertaining to the data collection, data analysis, limitations, and ethical considerations, which will then be broken down for the audience. Data will be collected from peer-reviewed articles, scholarly reviewed article and journals. Secondary data collection will be used be to address the research question/objective and the factors that contributed to the rise of federal student loans. This can be achieved through interviewers with experts within the Department of Education, loan servicing agencies, and financial aid directors and officers of career and for-profit colleges. Also, surveys will be conducted within career and for-profit colleges.

The student loan crisis has roots back into 1970's when borrowing began to affect the federal budget. There is at least forty years of data to analysis the factors that led to the student loan crisis of today. Some important factors that can be attributed to the rise of the student loan crisis are increases of college tuition throughout the years, the need for a more educated workforce, and accessibility to loans. Normally low to middle class families borrow the most, since that is their main source of funding for higher education. Therefore, instead of the Higher Education Act helping them break the poverty cycle, they remain stuck in it.

Data Collection

The data for the research will include information from scholarly reviews, and journal articles from when the initial introduction of the Higher Education Act until now. The HEA is ever changing and has a huge impact on students throughout the United States. By keeping this objective in mind, the qualitative research design is one of the most effective approaches. This approach will assist in identifying the research problem, reviewing the literature, and describing the proposed framework. This will be accomplished by reviewing a large number of entities and applying methods that identify patterns in creating practices, while specifying numerical information. This approach will help identify the research problem, review the literature and describe the hypothetical framework.

In the descriptive research design, data will focus on the socioeconomic backgrounds of those Americans caught up in the student loan crisis. By focusing on this demographic detail, it will provide a thorough analysis of how much in federal loans indebted students owe upon completion of their programs and their income post completion, particularly looking at data from 2008 onward. The secondary data compiled through the qualitative research will explain which factors in a student's background, coupled with borrowed loan amounts and average cost of career and for-profit colleges tuition, affect the student loan crisis. Secondary data will also assist in determining if it affects the rate of those individuals are satisfied with the outcome of their diploma and degrees in post secondary education.

Data Analysis

The collected data will be organized and arranged on a Microsoft Excel spreadsheet. The data will be collected from the Department of Education indicated the socioeconomic backgrounds of student loan borrowers from 2008 and onward, the average cost of tuition for career and for-profit school each year, and their student enrollments.. This will indicate what economic and social factors affect the spike in federal student loan borrowing. Interviews with experts within the Department of Education, loan servicing agencies, and financial aid directors and officers of career and for-profit colleges. As well as, surveys will be conducted within career and for-profit colleges and students who are no longer attending a college or university. The surveys will be conducted in multiple ways, such as: in person, via email or U.S. postal mail. This will allow more ground to be covered and will create more opportunities to receive completed survey back at a quicker rate. Questions on the surveys will be short yes or no questions and will give them the opportunity to write any additional comments. Please refer to Appendix A for examples of survey questions. By collecting this information, along with the literature collected, it will be provide a better understanding of how the student loan crisis, became a crisis since 2008.

Limitations

With any research, data collection and analysis can run across some limitations that will prevent a clear answer to the research question and objective. One of the main limitations is not receiving all the surveys or guaranteeing they will be completed. Another potential limitations would stem for the receiving honest and unbiased answers from the expert interviews (Johnson, 2017). Regardless of the limitations, the research design would still shed more light upon the research question and objective.

Background of the Issue

The student loan crisis is ongoing and continues to grow annually. Tuition at institutions of higher education continues to increase and is a major factor in determining the nation's growing student debt crisis. Federal student loans amount for the vast majority of borrowed loans. The student loan crisis affects many Americans and it the second largest Though there are currently some policies and programs in place, the Department and Education and institutions of higher education fail to monitor and guide students away from excessive borrowing.

The Department of Education (DOE) is in charge of running and maintaining the current federal aid programs (U.S. Department of Education, 2019). They have some policies and programs in place to help alleviate the stress associated with the burden of student loan debt, but nothing that really regulates how much debt students are accruing at school. If the current policy regarding the student loan crisis is left unchanged, student debt will only continue to grow. Student loan debt is already the second highest debt owed by Americans. By ignoring the loan crisis, more and more vulnerable populations will lose their livelihood because they will not be able to keep with their student loan repayments. Whether it is by devoting a majority of their income to their loan payments or by defaulting on their loans and having bad credit, excessive student loan borrowing remains with an individual and can wreak havoc on their economic well-being.

The Department of Education has established positive and negative policies associated with federal student loan programs. Currently, the DOE will continue to process student loans without checking a student's credit score, amount borrowed, and span in which it was borrowed. Usually, those are indicators lenders rely on to determine if a borrower is likely to make timely and fully payments. However, the Department of Education does not employ a system of gauging if the student will pay their federal student once they have completed school. The DOE allows for a six month grace period once a student has fallen below six credits/units of study, though this serves to assist students by not having payments due while attending school, it also allows for the loan balance to continue to accrue interest, often leaving the student with a larger debt than intended.

As of today, the Department of Education makes minimal attempts to control potential defaulted loans through mandated online counseling. They attempt to educate students about loans by mandating the completion of Entrance Counseling prior to releasing federal student loans. Although the counseling presents students with information about loans, the execution is not seamless. While in school, students are not required to make payments until six months after they have fallen below six credits, a portion of their allotted Federal Direct Student Loan can fall under the subsidized category, meaning that the DOE is paying the interest while the students are in school. The DOE established the Income Driven Repayment System that allows a student to pay off their balance with a ten year fixed repayment plan, if they qualify (Baum, 2018).

Conclusion

The Higher Education Act of 1965, now referred to as Title IV, has since been through several reauthorizations. From Lyndon B. Johnson's Great Society initiative, the Higher Education Act of 1965 was signed into law on November 8th, 1965. The social and political events surrounding the formulation of the Higher Education Act of 1965 play a very important role for both the scope and adoption of the policy. A significant contributing factor that fed the poverty cycle, was the lack of access to formal education available within impoverished committees. By providing people who could not afford college with low-interest loans and federal work-study programs, lower-income people were able to pursue a degree in higher education and build careers within better-paid industries. The impact and relevance of this policy implementation is as apparent now as it was during its birth in the 1960s. It was the federal government's first significant attempt at creating equality within higher education.

The Higher Education Act attempted to introduce education equality and to better allow access for low-income students to college. The provisions of the act called for the federal government to provide funds and resources for low-income students to be able to attend institutions of higher education. This included low-interest government loans, scholarships, and work-study programs. With low-interest government loans, students were able to borrow funds directly from the federal government to pay for tuition and educational expenses.

Currently, the Higher Education Act has departed from its original intent. While federal financial aid continues to help many low and middle class students reach their educational goals, it is also responsible for the debt they collect before entering the workforce. Students from low-income and middle-class backgrounds rely heavily on federal aid for assistance in financing and most of the federal aid comes in the form of "low interest" student loans. Many students find themselves in debt upon graduation and find themselves in long-term repayment plans with the loan servicers.

If the policy is left unchanged, student debt crisis will only continue to grow. Students will continue to complete programs with little or no career prospects and will in turn take under paying jobs. Loans eventually need to be paid back to the lenders. Failure to repay can result in students defaulting on their student loans and ruining their credit. Money that could have gone to an individual rainy day fund is now reverted elsewhere, taking away a sense of financial security and their livelihood (Baum, 2018). As of now, the current Federal loan programs have already cost taxpayers 1.6 trillion dollars and with a default rate of over ten percent, a significant amount of the loaned funds are not being returned (Friedman, 2019).

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Appendix A

Some questions for the career and for-profit schools would include:

- For each year since 2008, please indicate the cost of tuition for each of your programs.
- For each year since 2008, what has your student population been? Please provide a demographic breakdown.
- For each year 2008, what percent of your student population participated in federal loan programs? Please provide a demographic breakdown.
- For each year since 2008, what percent of your student population completion their respective program with a diploma or degree?
- For each year since 2008, what has been your intuitional loan default rate?

Some questions for student no longer attending a career or for-profit college or university would include:

- How much in federal student loans do you currently owe?
- Does the total amount of federal student loan you owe from one institution?
- What was the timeframe in which you collected all your federal loan debt?
- Did you complete a diploma or degree in the field your loans were borrowed towards?
- Are you currently working in the field you received your diploma or degree?
- Are satisfied from the outcome and prospects of your completed diploma or agree program?