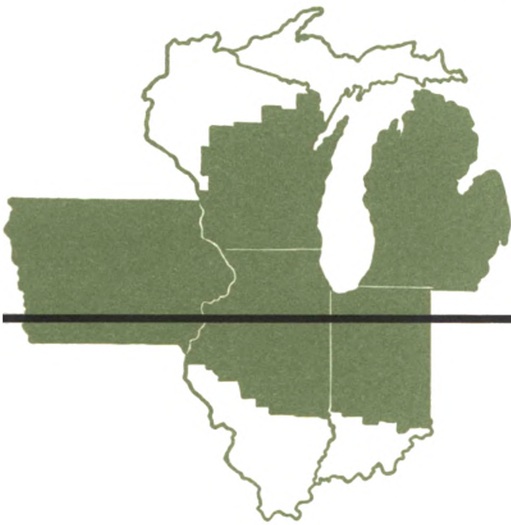
A review by the **Federal Reserve Bank of Chicago**

Business Conditions

1961 February



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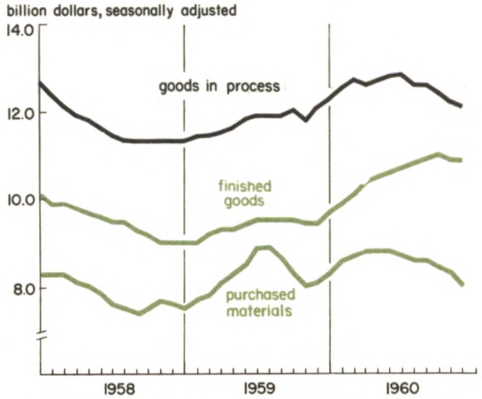
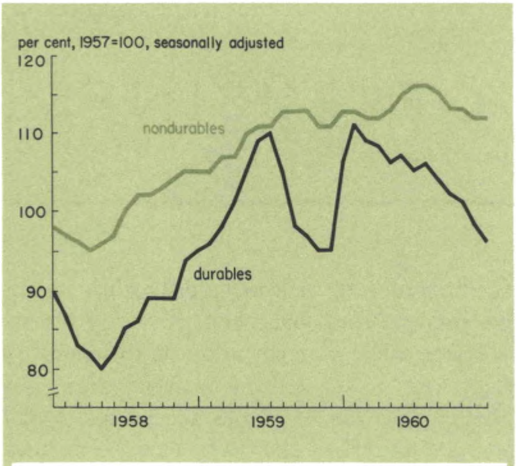
THE Trend OF BUSINESS

Business activity continued to decline through the final months of 1960 and the early weeks of 1961. The current downturn, even more than its predecessors, has been primarily an inventory adjustment. Total spending for goods and services other than for addition to inventory rose throughout 1960, although the gain was very slight in the last half of the year. Some decline in purchases of final products occurred in comparable stages of the recessions which began in 1948, 1953 and 1957. Purchases by governments rose throughout the year. Consumer purchases also rose but less steadily. Aside from the inventory sector, the decline in activity as 1960 drew to a close was largely in durable goods. Inventories remain high in some lines, particularly passenger cars. But many firms have largely completed their planned reductions, thus laying the basis for a rise in new orders.

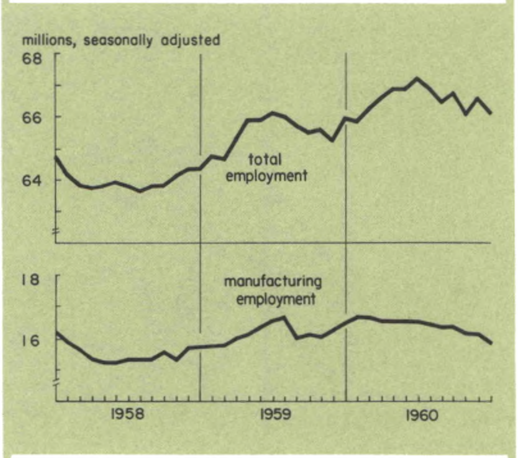
Manufacturers' new orders remained below sales during most of 1960 with the result that order backlogs declined substantially. Easy supply conditions in virtually all lines reduced delivery lead-times and enabled many firms to reduce the amount of goods on order. The sharp rise in new orders in August and September was largely defense work.



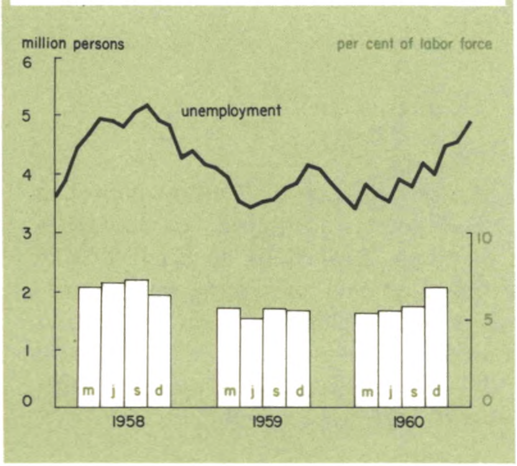
Inventory liquidation by manufacturers was one of the most important developments during the second half of the year. Reductions occurred first in purchased materials and goods-in-process while finished goods inventories continued to grow. The large stocks of finished goods enabled suppliers to offer rapid deliveries to customers.



Factory production trends in durable and nondurable goods have been markedly different. Hard goods output began to decline in February when steel production turned down. As the year moved on, production of virtually all types of hard goods was reduced. Output of soft goods, in contrast, rose in the first half and declined only moderately after midyear.

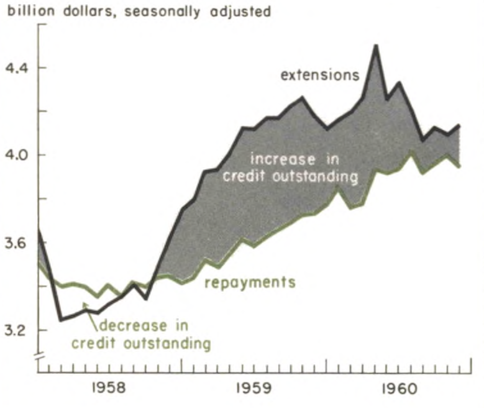


Manufacturing employment began to decline early last year as production in the durable goods industries, including steel, farm and construction machinery, appliances and television, was cut back. Total employment, however, rose in the first half but has declined since midyear as decreases in jobs in other lines augmented the decline in factory employment.



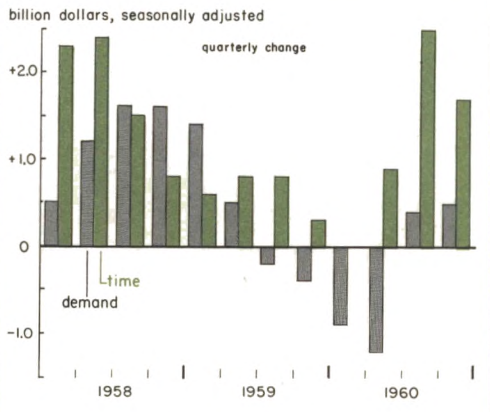
Unemployment rose irregularly throughout the past year. In December the number reached almost 5 million, 6.8 per cent of the civilian labor force, and was close to the levels reached in the 1958 recession. The rise in unemployment has been concentrated in the centers which specialize in the production and transportation of durable goods, but virtually all localities have reported some increase.

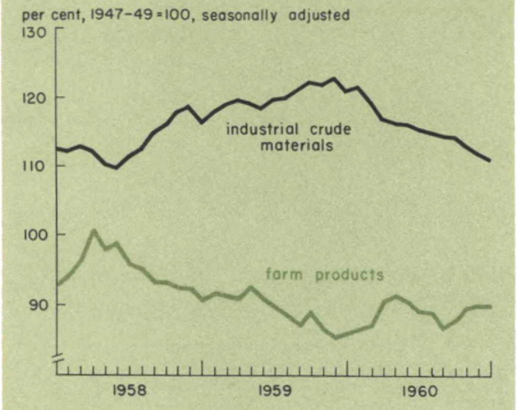
Sales of soft goods stores were at a record high in 1960, but sales of durable goods stores were below 1959 and fluctuated considerably during the year largely because of the shifting pace of auto sales. The weakening demand for consumer durable goods after midyear reflected the rise in unemployment and was accompanied by slower growth in instalment loans.



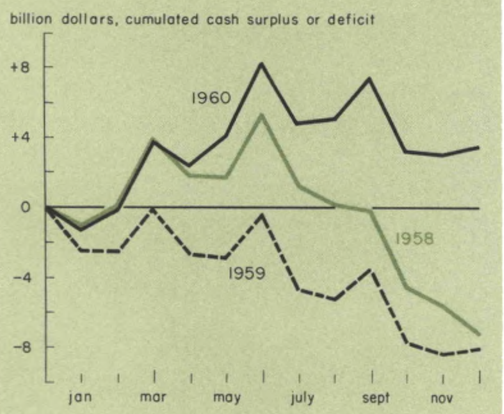
Consumer instalment debt rose much less during the past year than the record 5.8 billion dollar increase in 1959. Credit extensions, after reaching a record rate in April, fell below the year-earlier level during the second half as unit sales of cars and other "big ticket" items declined. Repayments rose in the first half, reflecting the large increase in outstandings in 1959, and then leveled off.

Time deposits at commercial banks rose sharply after midyear, reflecting more conservative spending by consumers and the continued high level of personal income. Except for demand deposits and savings bonds, other types of liquid financial assets also increased rapidly. Demand deposits declined in each of the four quarters ending in mid-1960 but began to rise appreciably in the second half.

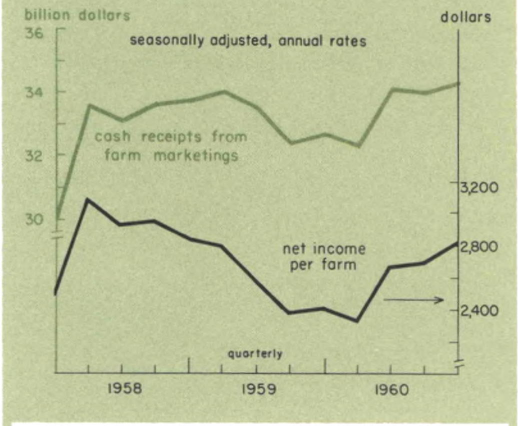




Farmers' receipts from marketings rose sharply in 1960 and in the second half were at a record level. Net income per farm also rose substantially from the depressed level at the beginning of the year but remained below the record reached in 1958. Thus, the farm sector has continued to move opposite to the general trend of business as in other postwar recessions.



Farm product prices moved upward during 1960 following nearly two years of decline. Prices of cattle and hogs rose while grain prices were stable to moderately lower. There were substantial declines in prices of industrial raw materials, such as rubber, copper, steel, nonferrous scrap, hides and fibers. Over-all, wholesale prices were relatively stable but consumer prices continued to rise.



Federal cash receipts exceeded expenditures by over 3 billion dollars in the past calendar year. Each of the two previous years had produced a cash deficit of about 8 billion. At year end prospects for a cash surplus in 1961 were dimmed by indications that expenditures would rise while receipts from taxes on corporate profits would decline.

Mobile homes, a maturing industry

About 100,000 mobile homes intended for year-round occupancy were purchased by American customers during 1960. This was a reduction of about 15 per cent from the record number the previous year. A similar year-to-year decline was recorded for conventional or fixed-place housing.

At least 1 million families, 2 per cent of the total, now live in homes which can be moved from place to place. In each of the past two years the production of mobile homes accounted for about 7 per cent of the total number of dwelling units constructed. Ten years ago this proportion was about 4 per cent.

The production of mobile homes increased rapidly after the end of World War II and became an important industry in California, Michigan and Indiana. About 100,000 persons currently are employed in all branches of the industry, including distribution, mobile home parks and production of component parts and materials. Retail sales of mobile homes and their smaller relatives, the "travel trailers" (for temporary housing), amounted to almost 700 million dollars in 1959 and about 600 million in 1960.

Location of manufacturers

At least one manufacturer of mobile homes or travel trailers is located in each of 38 states. However, almost 60 per cent of the total production in 1959 was in three states—Michigan, Indiana and California. Of these, California produced the largest number of units, 23 per cent of the total, while Indiana and Michigan each accounted for 18 per cent. In dollar volume, however, the states are about equal. A large proportion of the California production is composed of the less expensive travel trailers.

Elkhart, a community of about 40,000 persons located in northern Indiana, is commonly referred to as the "capital of the mobile home industry." Within a 25-mile radius of Elkhart are 51 manufacturers and 44 suppliers. About 3,000 persons are employed by these firms when they are in full production.

In recent years the industry has tended to decentralize as new manufacturing plants have been located nearer to the markets. Thus the relative importance of Elkhart has declined although it continues to occupy a special position. Most of the components and materials are also used in other industries and can be obtained from nearby warehouses almost anywhere in the country. The location of factories near their potential markets expedites delivery to dealers and reduces transportation costs which amount to 30 to 50 cents a mile.

Less mobility—more home

The modern mobile home bears little resemblance to its predecessors of the Thirties and Forties in appearance, furnishings and size. The industry passed a milestone in 1954 when the "ten-wide" models went into production after restrictions on movement over the highways had been moderated. The typical mobile home today is 10 feet wide and at least 50 feet long. Some approach 70 feet in length and are expandable to 20 feet in width.

Some manufacturers have produced models 12 feet wide. However, restrictions on the movement of these vehicles precludes volume production in the near future.

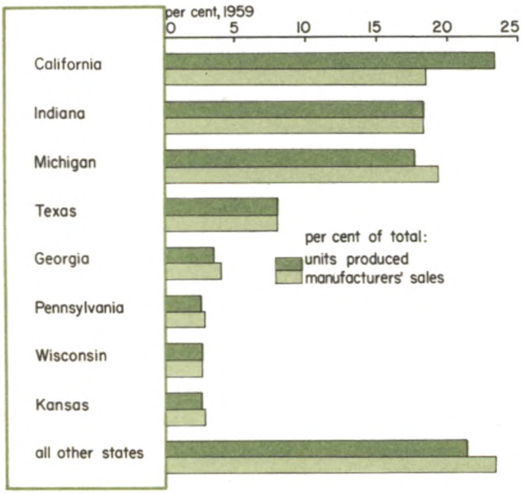
Mobile homes contain up to four bedrooms and two baths and are sold complete with appliances and furniture. They weigh 2½ tons or more and are hauled from place to place, not by the family car, but by specially designed trucks.

Moving a mobile home or selling one and buying another requires a family decision differing little in substance from the decision to move from one conventional residence to another. Mobile homes are "mobile" only to a degree. A survey by Michigan State University indicates that on the average a mobile home remains in one location for 27 months.

Today's "travel trailer," more like the house trailer of years gone by, is less than 29 feet long and weighs less than 4,500 pounds. These units are used for vacationing and other temporary housing needs. Interior appointments are much the same as in the mobile homes. Prices average less than 2,000 dollars compared with 5,000 dollars for a mobile home. Travel trailers account for about 20 per cent of the industry's dollar volume. Although some manufacturers produce both mobile homes and travel trailers, most specialize in one or the other.

The difference in market patterns between mobile homes and travel trailers is reflected in sales results for 1960. While mobile home sales declined substantially, travel trailer sales were maintained at the 1959 level.

Three states produce 60 per cent of mobile homes



The mobile home resident

The popular image of the typical mobile home occupant probably is that of a retired or semiretired couple or individual residing—at least in the winter—in one of the warmer southern states. About 10 per cent of mobile home occupants fit this description. However, the average ages of the husbands and wives are only 40 and 37, respectively, and half of the mobile home families have children. One survey indicates that the number of occupants per mobile home averages just under three. It appears, therefore, that 3 to 4 million persons are now living in these dwellings.

Mobile homes have supplemented housing around military bases since the days of World War II. Construction of trailer coaches, as they were then termed, was cut off in 1943 for the duration of the war, but "trailers" have remained a familiar sight in the vicinity of military camps. At the present time, about 20 per cent of the mobile homes in use are occupied by military personnel.

Mobile homes are used extensively for construction, oil field and railroad maintenance workers, particularly those on jobs located in remote areas. Such dwellings also have been used widely for students and migratory workers and as supplementary housing on farms. But many mobile homes are found in and around urban areas where they are used by persons who find them superior to conventional housing available at a comparable price. Obviously, the types of residents in mobile home parks varies.

Financed as automobiles

The retail cost of mobile homes is about 100 dollars a foot on the average, including furniture and appliances. Thus a 50-footer costs about 5,000 dollars, and a 60-footer, 6,000 dollars. Some units are substantially lower priced. Others, having special features, such as an extra bathroom, an expandable living room and higher-priced furniture, may cost upwards of 10,000 dollars.

About 80 per cent of the new mobile homes are purchased on credit. This compares with 90 per cent of new conventional homes and 60 per cent of new cars.

Distribution of mobile homes is financed on much the same basis as passenger cars. The dealer, who usually pays cash to the manufacturer, is able to "floor plan" with lenders who advance about 90 per cent of his cost, including transportation. Most of the large sales finance companies and numerous banks, usually of moderate size, finance the distribution of mobile homes. Some of the largest manufacturers have financing subsidiaries.

During the past 15 years terms on mobile home financing have been liberalized as lenders gained experience in the field. Loan maturities on new units range up to 5 and even 7 years, and often equal 100 per cent of dealer cost. Interest rates are comparable to those charged on automobile loans.

A changing industry

There are at present about 400 producers of mobile homes and travel trailers, many of them with several widely separated plants. General availability of parts and components has made this an easy industry in which new firms may become established. As a result, it has been highly competitive.

About 70 per cent of the cost of producing a mobile home represents the steel frame, lumber and plywood, appliances, plumbing, tires, axles, aluminum and steel sheeting, furniture and other materials purchased by the manufacturer. For the most part, supplier firms are larger and have greater financial resources than manufacturers of mobile homes. An important means of financing production, therefore, has been trade credit extended by suppliers.

Commercial banks and insurance companies have played an active role in supplementing trade credit and equity capital. Until recently the equity capital in the industry was largely retained earnings. During the past few years, however, a number of the large firms have sold securities, mainly common stocks, to the public.

The increasingly competitive nature of the industry, particularly in years such as 1960, has tended to reduce the number of new firms entering the field. New plants commonly have been branches of existing firms. As in other developing industries, there have been periods of consolidation as well as growth. Many producers have ceased operations or have been absorbed by other firms. In some states such as Illinois the industry has declined, while in others such as California and Texas it has grown rapidly.

About a year ago an aircraft manufacturer, pursuing a diversification program, acquired three mobile home manufacturing firms operating a total of 14 plants. Other such moves may be forthcoming, but at the present time mobile home production is widely dispersed among many firms. In 1959 no one firm had as much as 10 per cent of the sales; the 10 largest companies accounted for only 42 per cent, and 25 firms for no more than 63 per cent

Although manufacturers utilize similar components and production techniques, there has been a problem of substandard output on the part of some producers. This reflects the absence of a uniform construction code similar to those required for conventional homes. During 1960 the Mobile Home Manufacturers Association, in conjunction with the Trailer Coach Association of the West, endorsed a code of production standards covering heating, plumbing and electricity. An attempt will be made to enforce the code through inspections. At least one state, California, has enacted legislation specifying minimum construction standards.

The dealerships

Mobile homes are sold directly to dealers by manufacturers. According to the Mobilehome Dealers National Association, there are 5,800 dealers throughout the nation. However, many of these handle only a few units a year.

Total shipments to dealers located in the Midwest bear a very close relationship to the population of these states. In the northeastern states the proportion is relatively small, whereas in Florida and California it is very large. Of course, many mobile homes are soon moved far from the areas in which they are purchased.

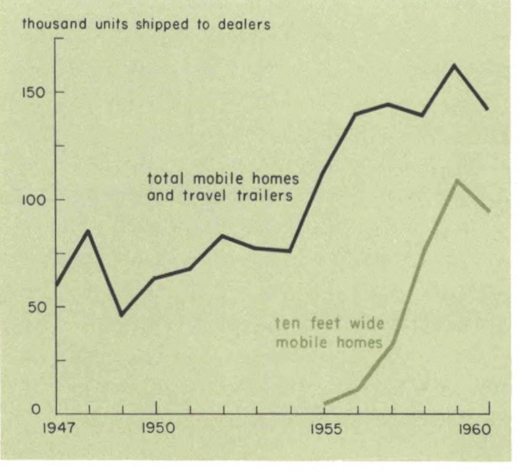
Dealers almost always handle the lines of more than one manufacturer. Many carry the products of four or five. Typically, dealers have a relatively heavier inventory than automobile dealers. During most of 1960 almost 40,000 units were in inventory, representing three or four months' sales. In the case of auto dealers, inventories have averaged about one and one-half months' sales. Unlike auto producers, mobile home manufacturers sometimes accumulate inventories of completed units.

An increasingly large stock of used mobile homes taken in trade have been carried in recent years by mobile home dealers. About 60 per cent of all sales now involve trade-ins. This proportion has risen substantially in recent years, but it is still well below the comparable figure for car sales.

The trailer park bottleneck

Most mobile homes are located in mobile home parks. There are several thousand of these parks accommodating anywhere from a few to over 1,000 homes. Some parks are incorporated municipalities which provide their own governmental services such as schools and police and fire protection. But most are under the jurisdiction of existing

Long upswing in mobile homes sales was interrupted by recessions



city and county governments. The growth of mobile home living has created new problems for some local governments where service needs of families living in such homes have tended to outstrip additions to local tax revenues.

Some industry experts claim the major factor restricting mobile home sales is the shortage of space in suitable mobile home parks. Many of the existing parks are described as being distinctly substandard and new space is not being added as rapidly as it could be utilized. This has led some dealers to undertake the development of additional areas.

There are an estimated 14,000 parks in operation, representing an investment of over 500 million dollars. They are concentrated in Florida, California and the Southwest. New park developments containing the necessary facilities—sewerage, water, electricity and gas to which the mobile home may be connected—cost 1,500 to 2,000 dollars a space. Six to ten spaces an acre are provided. An appreciable amount of land is required for streets and other purposes, sometimes including recreational and social activities of the residents.

Sometimes spaces in mobile home parks are purchased by the mobile home owner. The most common practice, however, is to rent space. In an attractive park, rentals run between 30 and 50 dollars a month, which may or may not include utilities. Much higher rentals are sometimes charged for luxury accommodations in prized locations.

Two problems have retarded the provision of additional mobile home parks: one is financial and the other is zoning. Federal Housing Administration insurance is available for trailer park loans. In 1959 FHA regulations were liberalized to provide insurance for loans at 5¼ per cent interest up to 75 per cent of the market value of the property, with maturities up to 15 years, and a maximum total loan of 500,000 dollars. To be eligible, projects must contain at least 50 spaces.

Municipal and county governments often are reluctant to allow the construction of mobile home parks because of the objections of local residents. An important factor is taxation. Mobile homes are taxed as motor vehicles in some states, as personal property in others and as ordinary real estate in a few. Whatever the method of taxation, there is a widespread impression that mobile home residents do not carry the same share of the local taxes as other families.

New horizons

The mobile home industry now emphasizes living space rather than mobility. As a result it provides low-cost prefabricated housing. Prefabricated housing, under the usual definition, does not differ substantially from conventional housing. Moreover, the "prefab" ordinarily leaves the factory in parts ready to be assembled and supplemented at the site. The mobile home, on the other hand, is complete in every important respect when it is ready to move to the dealer.

Placing a mobile home on a chassis suitable for moving over the highway is not essential to the function of providing a family with a place to live. This fact helps explain the beginning of a movement of the industry into some new markets.

A number of producers of mobile homes are now selling units which can be combined to form motels. It is reported that these can be put in place at half the cost of conventional construction. Similar techniques by producers of prefabricated structures can be used to produce both temporary and "permanent" housing to meet a variety of demands.

Higher education—rapid growth, financial headaches

About 3.6 million young men and women are enrolled in the nation's colleges and universities. Ten years ago the number was only 2.3 million, and before the war it had not exceeded 1.5 million. Continued growth in college enrollment seems assured for the years ahead; indeed, it may prove more rapid in the Sixties than in the Fifties.

In another two or three years the huge birth classes of the postwar era are due to start heading for college campuses. The yearly crop of high school graduates, recently about 1.5 million, is expected to total 2 million by 1965 and 2.25 million—half again as many as today—by 1970. If the *proportion* of young people in college simply holds steady during the Sixties, enrollment will grow about 45 per cent—to about 5.5 million by 1970. If, on the other hand, the ratio of enrollees to the college-age population continues to climb at a pace consistent with its past behavior, 1970 will see 6 million enrolled in American colleges and universities. Rising personal income and a further spread of the idea that education beyond high school is necessary are factors tending to keep the enrollment ratio on an uptrend.

	Population age 18-21* (millions)	Proportion in college (per cent)	College enrollment (millions)
1950	8.9	25.5	2.3
1955	8.6	30.9	2.7
1960	9.6	37.4	3.6
1965†	12.2	37.4-38.5	4.5-4.7
1970†	14.6	37.4-41.2	5.5-6.0

Rising enrollments mean more income for the schools from fees and charges paid by students. These sources of support, however, comprise only a fraction of college and university income—roughly a quarter for the public and private institutions combined.

Up to the point where new staff and facilities are needed—or as long as more students mean only larger class sizes and more intensive use of existing housing, libraries, classrooms and laboratories—growth in tuition and fee receipts probably comes close to matching the rise in out-of-pocket operating costs. But once the reservoirs of underutilized capacity are exhausted, and it is necessary to enlarge physical plant and recruit new teaching and other personnel, costs spurt upward, quickly outpacing the climb in receipts from student charges.

More outside support needed

Expansion in enrollment thus sooner or later requires bigger appropriations from tax funds and more support from private benefactors, business concerns and educational foundations.

The amount of support required can be lessened somewhat by checking the influx of students. Boosting tuition rates is one way to slow the enrollment growth while swelling receipts at the same time. Stringent admis-

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*U. S. Census Bureau.

†Estimated; the higher enrollment estimates are from the U. S. Office of Education.

sions requirements, while having no direct impact on income, would help to limit the build-up in enrollment and tend to keep it in line with the capacity of the schools.

Operating budgets and capital outlays have grown at nearly all institutions, but more rapidly in the public sector than in the private (see table). The tax-supported schools have accounted for the lion's share, about four-fifths, of the postwar growth in higher education. Moreover, they now enroll half again as many students and spend for educational purposes proportionately more than private colleges and universities.

How much from students?

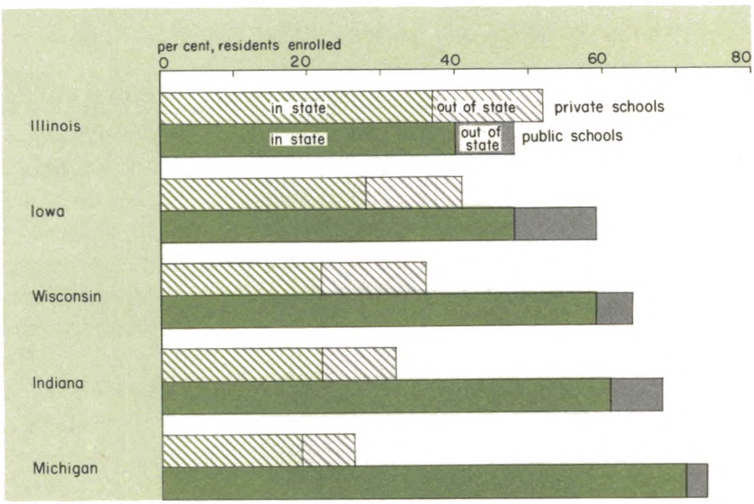
One way to soften the impact on state and local treasuries of higher education's further growth might be to bring tuition rates at the public institutions closer to the private school level. This step would in part eliminate an "artificial" inducement to students to attend public institutions in preference to private.

There are, of course, many objections to tuition increases. The low- or no-tuition principle is widely honored in professional circles. Many educators contend that substantial student charges conflict with the spirit of public sponsorship of higher education. Strict "price rationing" of student admission is objected to also because it could bar the doors to many students of ability who lack financial means.

Tuition and other fees ordinarily make up only a small part of the cost actually borne by the student and his family. The major item of cost is the four or more years of income the individual could otherwise earn. A big boost in tuition may have little impact upon a total cost figure which takes foregone earnings into account.

Income foregone, though, is not the same thing as income paid out, and tuition hikes can hit hard at the student's or his family's cash budget and therefore strongly influence the decision on going to college. Higher education often is a good investment, in dollars-and-cents terms, but neither prospective students nor their parents look solely

Tax-supported institutions enroll the bulk of college students in Midwest states



SOURCE: Data for this and the following chart are for fall 1958 and are from American Association of Collegiate Registrars and Admission Officers, **Home State and Migration of College Students** (March 1959).

Private schools in Illinois and Indiana and tax-supported schools in Michigan have heavy nonresident enrollment

ished little, if any, in the years ahead.

This does not rule out the possibility that the gap between tuition levels at the public and private schools may be narrowed. The differential appears to be associated with the concentration of pressure on the public institutions and, thus indirectly, the community's tax base.

State scholarship plans, offering financial aid to superior students who need it and usable at private as well as public colleges and universities, can serve partially to "equalize" the effects of future enrollment growth on the two sectors. By widening the range of choice open to students such scholarship plans should help assure that existing private facilities do not stand idle while added capacity is provided at the public institutions. The principal objective of the scholarship programs, however, is to place college training within reach of young people of ability who are incapable of financing the full expense.

at this side of the question or are in a position to evaluate adequately the probable effects in the individual case. Often as not, the prestige that goes with attendance or the "status" that graduation is thought to secure weighs far more heavily than the conjectured pecuniary advantages that college education will bring. The cost of obtaining these is seen largely as the cash outlay connected with college, in which the tuition component often is substantial.

Raising tuition, therefore, probably exerts a disproportionate effect, given the benefits to later earnings that are connected with higher education and the small impact that a change in tuition has upon the *full* cost to the student. On this account, it is likely that the effort to secure increased financial support from other sources will be dimin-

The matter of educational costs

Expenditures for higher education in the postwar period have risen faster than the growth of enrollment. One reason is the fairly widespread practice of currently financing capital outlays out of lump-sum gifts or legislative appropriations. Current income

Tax-supported schools grew faster in the Fifties than private—the Sixties are expected to see accelerated growth for higher education

	1950			1958			1970 Estimates
	Public	Private	Total	Public	Private	Total	Total
Enrollment (thousands)	1,155	1,142	2,297	1,912	1,346	3,258	6,000
Educational and general expenditure (millions)	$918	$851	$1,769	$2,174	$1,588	$3,763	$9,200*
Capital outlay (millions)	276	141	417	651	362	1,013	N.A.

*Estimated by S.E. Harris, *Financing Higher Education, 1960-70* (1959).
N.A. Not available.

of the institutions has had to pay for new buildings and equipment in full at the time of construction or purchase. An important exception has been the practice, followed by some institutions, of financing dormitories and other income-producing properties by issuing bonds secured by revenues. This resort to the capital market, along with the general obligation borrowing utilized in some instances, has somewhat alleviated the burden of expansion and modernization outlays on tax appropriations and private benefactions.

Faculty salary trends are another reason for a growth in expenditure more than proportionate to the rise in enrollment. Salaries in numerous teaching fields have for years lagged behind those offered by private business and the Government. As long as the colleges were not enlarging their personnel rosters, this presented no serious difficulty. Expansion, however, meant active recruitment and, in time, something closer to matching of rewards available elsewhere, with due weight given to the differences in work load, time available for "outside" work, research and travel opportunities, vacation and leave policy and other fringe benefits.

Productivity gains in store?

If only because of the sheer size and cost of higher education, attention inevitably focuses on its "efficiency." In some respects the procedures and processes of higher education have remained substantially unchanged for many decades.

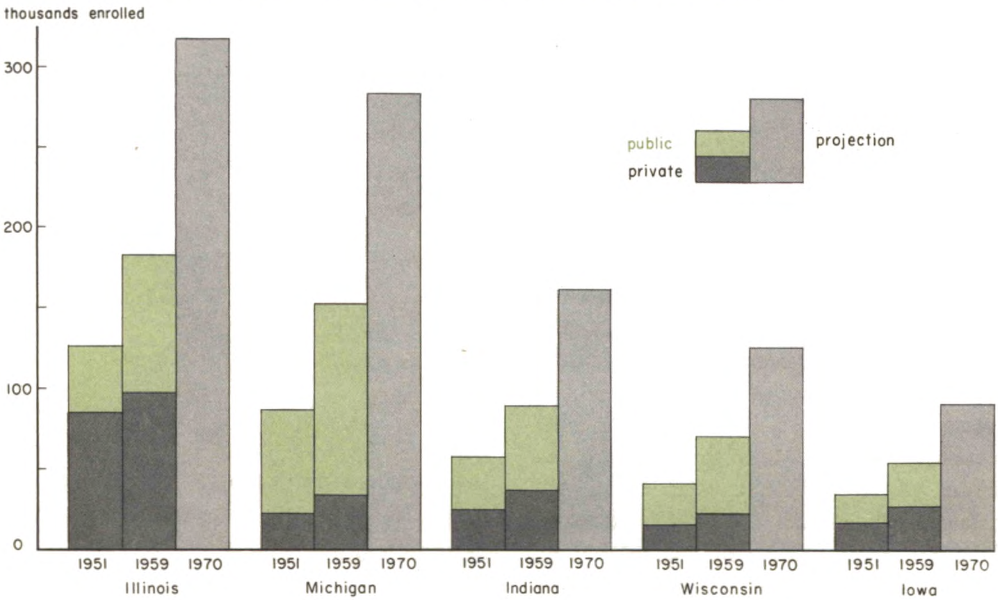
The basic undergraduate program continues to extend over a term of nearly four years. En route to his bachelor's degree, the student ordinarily will have been away from his studies for three intervals totaling nine or ten months. The cost to the student in foregone earnings of almost a full extra year in school can be substantial although summer earnings are a partial offset.

Alternatively, the cost-reducing effect of a cutback from four years to three in the time needed to prepare for the bachelor's degree could be enough to bring college training within the reach of some now doing without it. There has been considerable experience with such policies. The 11-month trimester schedule and the not uncommon quarter system both are ways of shortening the undergraduate program to three calendar years from its customery 45-month span. Some students mature less rapidly than others, however, and it seems likely that there will continue to be a place in higher education for the traditional collegiate schedule, alongside accelerated programs for those who desire them.

Some observers have contended that the input of faculty services may admit of economization also. Less stress on the standard course as a unit of instruction and more on independent reading, lectures and tutorial sessions, dealing with particular topics of special concern or difficulty, have been encouraged as well as greater use of mechanical aids to teaching and testing. The result could be some lightening of the load on faculty, allowing more time for research or other interests—and perhaps permitting the job of instruction to be accomplished by fewer.

Mostly, and as a matter of practical necessity, the question of productivity or efficiency in higher education leads to an examination of the input side, to the exclusion of the output or product. The obvious reason for this is that the product is not only immensely varied but almost unmeasurable. If more faculty man-years and more plant and equipment are channeled into higher education, it might be concluded that the product improves as a result. Perhaps an increase in quantity can be measured by some yardstick—the number of student years, for example. But the quality of the product is another matter. More output may appear in the form of added research activities or a shift in the product "mix"

Tax-supported colleges absorbed most of enrollment growth in Fifties and appear due for still greater expansion in Sixties



from undergraduate to professional school work. The complicated character of collegiate and university operating patterns and end products points to some of the road blocks in the way of any effort to evaluate the relationships between costs and benefits in higher education.

In the Midwest

Relating total enrollment to the number of young people in the 18-21 age range, affords a rough measure of the scope of the job being done by higher education. Nationally, enrollment in the fall of 1959 amounted to about 36 per cent of the population in this age group. At the end of the war, the ratio was only 22 per cent.

Among the states in the Seventh District, Michigan had the highest proportion of its young people in college with roughly two out of five either within the state or elsewhere. Indiana and Illinois followed closely behind, followed by Wisconsin and Iowa. All five of the states were close to the United States average. (The ratios given for the individual states are based upon population age-group estimates subject to revision when detailed results of the 1960 Census are known.)

The Midwest is known for its large, well-financed and academically distinguished state universities. Not surprisingly, the proportions of young people attending publicly supported colleges and universities are at least as high as the national average—59 per cent in four of the five states. For Illinois, however, the ratio is appreciably lower. More than half the residents of that state who attend college are enrolled in private schools (see chart on page 12).

Michigan maintains much the largest system of publicly financed higher education in the District, enrolling more than 115 thousand young people in three major universities, six other state institutions and some 14 other tax-supported schools. Within Michigan there are comparatively few private colleges and universities and only one enrolling more than five thousand students. Michigan's state institutions attract substantial numbers of students from outside the state, about 15 thousand in the fall of 1958—a number exceeding slightly the total of state residents enrolled outside Michigan in private and public institutions combined (see chart on page 13).

Indiana "imports" more out-of-state students than Michigan. In Indiana, unlike Michigan, privately supported schools account for a bigger share of the total number of out-of-staters than the state schools. Illinois is the only one of the five states to send more of its residents to schools in other states than the number of nonresidents in attendance at institutions within its borders.

For four of the five states, as for the nation, postwar growth of the public colleges and universities has been considerably greater than that of the private schools, as measured by the enrollment yardstick (see chart on page 15). The projections shown for 1970 are consistent with a national enrollment of six million at the end of the decade.

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