This speech concerns higher education in the 1980's and the role of the private institution. Emphasis is placed on: (1) the nature of the new period of change into which higher education must enter, (2) some of the impacts of this period on private institutions, and (3) solutions for the private institutions in the new period. (Author/MJM)
Higher Education in the 1980s and the Role of the Private Institution

An address by Clark Kerr
Chairman of the Carnegie Commission on Higher Education
on the occasion of the successful completion of the $86,000,000 Challenge Campaign of The Claremont Colleges
March 18, 1972

The Claremont Colleges:
Claremont Graduate School, Pomona College
Scripps College, Claremont Men's College
Harvey Mudd College and Pitzer College.
Claremont University Center is the central coordinating institution of the group.
On March 18, 1972, The Claremont Colleges celebrated the successful conclusion of a seven-year fund-raising campaign.

R. Stanton Avery, chairman of the Claremont University Center Board of Fellows, welcomed the people attending the celebration. Clark Kerr, chairman of the Carnegie Commission on Higher Education, made the principal address of the day, "Higher Education in the 1980s and the Role of the Private Institution."

Mr. Kerr's remarks and excerpts from Mr. Avery's welcome are recorded in this booklet, published by Claremont University Center, Claremont, California 91711.

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Welcome by R. Stanton Avery

This is indeed a great day. We are not only celebrating the successful completion of the seven-year Challenge Campaign but are taking advantage of the occasion to publicly thank those who made it possible, to account for our stewardship, to learn of the accomplishments of these colleges during that time, to hear of plans for the next decade, and to place this unique center of learning in national perspective.

When the Ford Foundation responded to our request in April of 1965 for a $5 million challenge grant to be matched two to one in three years, a plan was set in motion by all the colleges and Claremont University Center to launch a seven-year campaign to raise $86 million rather than a mere $15 million. This seemed like a staggering undertaking. As some of you recall, at the March 3, 1966, dinner when the campaign was formally set in motion, James Oates, chairman of the board of Princeton University, one of the speakers on that occasion, said:

"What about a campaign? Well, the first requirement is a great,
big goal. A goal sufficiently high to be shocking to your constituents. I think that $86 million fills that qualification. But yet low enough to be below what you can prove to be your genuine need."

How right he was. We have risen to that challenge, and I am pleased to announce that as of the end of last month gifts and pledges for The Claremont Colleges Challenge Campaign have reached $104,459,155, or more than $18 million over our goal . . .

To all of you who had a part in this great period of growth in Claremont— a hearty and sincere thanks.
I owe a very specific debt to The Claremont Colleges and I should like to acknowledge it today. When I was president of the University of California, we were starting three new campuses: at Santa Cruz, at Irvine and San Diego. I wanted each one of them to be different from our existing campuses and different from each other. Two of these new campuses were devised along the lines of the "cluster college" idea. I had no difficulty in persuading The Regents that the new campuses would be better if they had their own personalities and identities from the very beginning, rather than being small-sized copies of Berkeley or UCLA without great libraries and so on. But I had some difficulties with our faculty committees, and a great deal of difficulty in Sacramento. Over and over again, as I was arguing for the plans we were developing at Santa Cruz and San Diego, I called attention to the very great success of The Claremont Colleges. Certainly it was easier to develop these experimental campuses for the University of California because of your success. It may even be that it would not have been possible to persuade others that these new endeavors should have been started if you had not done so well ahead of us.

If we look at the history of higher education in the United States over the past half century or so, we find very few new ideas. There have been many new subjects taught but few new structural ideas. Perhaps the best single innovation during that period of time was the "cluster college" idea. It meant that you could decentralize the administration of institutions as they became larger. It meant that you could have more diversity within institutions. It also meant that as institutions became larger, rather than becoming more monolithic and more entrenched in traditional forms, they could be changed;
each new college you added could be different from anything you had done before. So I owe this very special debt to The Claremont Colleges. It is a debt which ought to be acknowledged by the entire University of California.

This afternoon my comments are on the subject of higher education in the 1980s and the role of the private institution, but let me say a word first of all about our Carnegie Commission on Higher Education. We were set up five years ago to look at the development of higher education in the 1970s and ahead to the year 2000, and to make recommendations about it. We followed a series of studies of the American high school that were conducted under the direction of Dr. Conant, the former president of Harvard. Those studies gave rise to a number of significant reports. When they were completed, the Carnegie Foundation decided to take a look at higher education through our Commission. So over the last several years we have been trying to look broadly at all aspects of higher education in this country and in some depth at what the developments may be in the future.

My comments this afternoon will be under three headings:
first, what may be the nature of the new period into which we are so obviously entering;
second, what may be some of the impacts of this new period on the private institutions; and
third, where might lie some of the solutions for the private institutions in the new period.

I think that we are now involved in the second great period of change in the total history of higher education in the United States. From 1636 to 1870, the classical college was the dominant form of higher education. There was a great transformation from about 1870 to 1900, in fact a revolution, and the classical college was supplanted by the modern college and university that was devoted to research, that was devoted to public service, that followed a course of electives rather than a standard curriculum, that adopted other basic changes pioneered by the land-grant universities and by Harvard, Johns Hopkins, Cornell, and others. Since 1900 we have been in a relatively static period. Enrollments have gone up enormously, but higher education has retained, with very few changes, the same academic pattern. As I said a moment ago, the
major change since 1900 was the introduction of the idea of the
cluster college.

Our Commission feels that the period from 1970 to 2000 may be
the second great period of change. Probably, almost certainly, the
change will not be as revolutionary in its impact as the changes of a
century ago; it will be more evolutionary, and it will take place more
by accretion of individual new ideas, but nevertheless, it will be a
period of very substantial change.

It looks to us, though, that the situation we now face is more
complex than the situation a century ago. Then, there was a clear

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direction, and that was for higher education to catch up with and to
help lead the modernization of economic and political life in the
United States. We were then moving into a period of rapid
industrialization economically, and a period of populist activity
politically. Higher education responded to industrialization and to
populism, to the modernization of the American nation. I do not think
anybody can clearly say what the final directions of the period we
are now entering are going to be. But this period will probably have
four characteristics that will make it different from the recent past
and different from the situation a century ago.

First of all, we have reached the end of spectacular growth for
American higher education. From 1870 to 1970 the number of
students in higher education doubled every 10 or 15 years. In the
1960s the number doubled in a single decade, from about 4 million
students to about 8 million. This is never going to happen again in
the history of the United States. The major reason is that we have
been going through a period when we greatly expanded the
percentage of young people going to college—it was 2% in 1870. It
is now about 50%. It will perhaps go up to two out of three and then
stop at that level.
The 1980s are going to be a particularly strange time. In that decade, as far as we can see, there will be no net additions to enrollments whatsoever; in some years there will be an absolute decrease. This never has happened before in American history in a period of peacetime.

The 1990s will be another period of growth as our colleges and universities admit the grandchildren of the GI’s. But then beyond 2000 higher education will grow at about the same rate as the growth in our population. So higher education, which has been almost the fastest growing segment of our society, now faces a fast slowdown in that rate of growth and, in one decade in the near future, no growth at all. For higher education this is going to be a change of life that will have many, many impacts.

Second, higher education is in the greatest financial distress that it has ever been in—including the period of the Great Depression. There are various reasons behind this. We have in recent times enormously increased our expenditures. Our institutions were taking 1% of our Gross National Product in 1960; today they are taking about 2.5% of the GNP. No other segment of society has increased its take out of the GNP to the extent higher education has. It seems that now, with these higher expenditures, we are reaching a point of resistance on the part of the public. At the same time, other priorities are coming before the nation—and education does not rate all that high anymore. Beyond that, we have in the past been able to hide a very fundamental fact about higher education. That fact is that in any measurable way we have not and perhaps cannot greatly increase our productivity. As a consequence, the cost per student per year goes up not at the rate of the cost of living generally or the price index generally. Over a long period of time the cost per student per year has gone up at the rate of the cost of living plus 3% a year. Prices for other goods and services do not go up that much on the average because the higher costs are offset in part by greater productivity. If you do not have the greater productivity you have to resort to higher prices. This has not been so noticeable to the public because we always have had vast numbers of additional students and we argued that we needed more money for more students. But when, as in the 1980s, we have no more students and still have to ask for more money, this elementary factor is going to become more visible. Our general estimate is that
In 1980 higher education will be spending about $40 billion. If you assume that there is no inflation in the 1980s but that the cost per student rises as it has in the past at 3% a year, you accumulate that, and higher education will need to be asking in 1990 for nearly $15 billion more than in 1980 and with no more students.

So I think that the financial problems of today are not just a short-term adjustment after the golden years of the 1960s. We face some very, very basic problems in the longer run.

A third factor defining this new period is the change in the labor market. Historically, with the exception of depressions, college graduates experienced no unemployment. They had jobs available for them—jobs that could use their skills. Currently we are going through a transition period where in some areas we have surpluses, in others deficits. We have a surplus of teachers clear up to the Ph.D. level. If the trends of the 1960s continue, we will end up this decade with a surplus of one or perhaps two million teachers. But those trends will not continue. If the trends of the '60s continue, we will end up this decade with a deficit of about a million people in the health care professions. Again, these trends will be shifted. But we are in a transition period with some surpluses and some deficits. Beyond the transition period we are going to face a new situation which you can see already in a country like Israel and in a country like Sweden where we are going to have more trained people than we can absorb at past wage and salary differentials.

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The U.S. Department of Labor estimates that in 1980, 80% of the jobs will require no more than a high school education. Only 20% will require some level of college training. We now have 50% of our
young people entering college. We expect it will rise to 66\(\frac{2}{3}\)%. Now the change in the flow does not immediately affect the stock that you have—that takes a long time to change. But quite obviously you cannot for a very long period of time have two out of three young people going to college when the jobs only require that two out of ten young people go to college. This is going to have some repercussions.

To begin with, a lot of college graduates are going to be disappointed in the jobs they get. Second, the wage and salary structure, which has been narrowing anyway with manual labor going up compared with salaries, is going to narrow much more rapidly and it may someday almost be turned on its head. A garbage collector in San Francisco now gets more money than an assistant professor with a Ph.D. at Berkeley. This same thing is going to happen in many occupations as we have a surplus of skill and a deficit of people who are willing to do the unpleasant jobs in society.

Another impact is going to be upon jobs. Historically we have adjusted our education to fit the jobs. Before too long we may be adjusting the jobs to fit the education the labor force has. As you have more highly educated people—and this is already happening in offices with secretaries who have college degrees—you have to give the jobs more responsibility, you have to make them more interesting, you have to give them more variety, more rotation of assignments. So we face a new labor market situation.

Fourth—and I put this really as a question rather than as a factor—what impact may the new cultural revolution, if there is a new cultural revolution, have? It is possible that we are going through a change in the mentality of people, something like that which took place at the time of the Renaissance or at the time of the American and French Revolutions—the latter bringing in the idea of the authority of the common man as compared with the authority of the king and the prince. The cultural revolution at the moment seems to have two aspects found in almost every one of the industrialized nations. One is a greater emphasis upon the sensate, on immediate gratification. In an article called "The Prospects for Our Grandchildren," John Maynard Keynes wrote that at some point, when a society became more affluent, there would not be so much emphasis upon saving for the future. There would be more emphasis
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upon current consumption, and he had a phrase I still remember. He said that as we have been going through industrialization—building up our industry, building up our capital—the idea has always been "Jam tomorrow but never jam today." By the time our grandchildren get here, he said, they are going to be asking for jam today. Maybe it is inevitable as you have affluence that you move more toward the sensate and have less emphasis upon the work ethic. But higher education is based upon the work ethic: hard work in college, postponed gratification until you get your job, and hopefully a higher income and a better life out of it. How can higher education adjust legitimately to a more sensate approach? I do not know.

Another aspect of the cultural revolution in the industrialized nations is a greater emphasis upon politics and ideology, the politicalization of faculty members and of students. This again is hard for higher education. In the past we have fought for objectivity—for the principle that you search for the truth wherever it may be found. You really say that truth is never finally found; you are always in the process of finding it; you always have an open mind. What happens, however, when people say that truth has been found in their own ideology and that decisions should be based on that ideology, on that absolute system? That leads you away from persuasion and toward an authorization attitude; since you have the truth you can enforce it upon others.

Now, whether or not there is a cultural revolution going on—and let me say that sensate and political forces work, I think, in different directions—we are going to be getting new students. They
come out of high school very frequently better trained than before, they know a lot more; by the time they get to college they will have spent more hours in front of a TV screen than they will have in classrooms. They will have learned a lot about the world, a lot about life, and will have acquired a great deal of sophistication that way. They are also coming out of more permissive families and more permissive schools. More of them come from schools which have had the open classroom idea. And how do we adapt to that?

I would suggest that, given these new factors and others, the theme for the next 30 years is not going to be modernization as it was a century ago, but more nearly the humanization of higher education. By that I mean two things: first of all, opening up higher education to many more people—to members of minority groups, to children of low income families and to adults of all ages; and second, paying more attention to the individual needs of the individual student, which means more diversity among institutions and more differentiation within them—and a reversal of the tendency of past decades toward homogenizing all of higher education.

I would like now to offer some comments on how all this may affect private institutions. Historically, private higher education has been a declining segment of higher education. Once, almost all of the enrollments were in private colleges and universities. Their enrollment is now down to about 25% and falling. In some ways these new trends may adversely affect the private institutions. Growth is an example. The growth that is now occurring is primarily in the public institutions, not in the private ones. We had a special study made last fall by the Educational Testing Service. The study found that, compared with an over-all growth of 5%, the growth of the private institutions was zero. There are 100,000 student vacancies in private institutions across the country.

The financial side is difficult for everyone but is most difficult for the private institutions. In 1930 the tuition gap was two to one—twice as high in the private as in the public college. It is now over four to one, and at higher absolute levels of money.

Take the labor market: Many of the private liberal arts colleges have been concerned essentially with the training of teachers. We are now running a surplus of teachers and so what do these colleges do?
Or take the new students: The new type of student, or the “newest” type of student, tends to gravitate particularly toward the more selective of the private liberal arts colleges. We have made the largest survey ever made of students and faculty members (70,000 undergraduate students, 30,000 graduate students, 60,000 faculty members) and we can say a great deal more about the academic world than ever before. Let me give you one figure: we asked undergraduate students how they rated themselves politically: conservative, moderate, liberal or left. Over the country as a whole, 5% of the students called themselves left. However, 10% of the students in the selective liberal arts colleges identified themselves as left. So in the private sector we face some problems of adjustment that are quite special.

Yet one has to say that the private segment of higher education is probably more badly needed, not only for its own sake but for the sake of all of higher education, than ever before. It is out of the private sector that we get most of the diversity, that we get most of the innovation, that we get standards set for attention to the individual student, and that we get standards set for the autonomy of the institution. We are moving toward a kind of public utility status for higher education, with more control by the states and by the federal government. When I was president of the University of California I thought that the best protection that the University of California had for its autonomy was the existence of Stanford University, and Cal Tech, and USC and the Claremont system. Their autonomy helped to protect our autonomy.

So this is a rather sad commentary: the segment of higher education which has provided the greatest source of diversity, has shown the greatest attention to the individual student, has undertaken the most innovation, and has helped preserve autonomy for all of us, is now the most threatened—and that is the private sector.

Let me make four suggestions as to what might be done.

First, I think the private sector must receive more public support. It now gets money from the federal government on about an equal basis with the public institutions, but it does not get state money—with the exception of a few states and even there not very much. I think a basic point of public policy ought to be this: that the graduate of the private college serves society just as well as the
graduate of the public college and thus, in principle, public financial support should be equally available to both kinds of institutions. But there are practical difficulties. If you were to give the same kind of support and the same amount of money to the private institutions as the public, you would make them public in the long run. They would then lose their autonomy and their diversity and their flexibility and this would be a high price to pay. So our Commission has recommended that we try to find ways to get public money to the private institutions without threatening their independence. We have suggested contracts, as for example the contract between the State of Florida and the medical school at the University of Miami. We have recommended doing a great deal more in the way of tuition scholarships for low-income students—giving these students the right to go wherever they want to, enabling them to take their tuition scholarships, appropriately adjusted, to private institutions. We have suggested that states could help with the construction of new buildings for the private segment, or at least give low interest rates on construction loans. As a last resort, we have suggested that private institutions be given across-the-board support, but we would hope that it would never reach above half the level of support given to the public institutions. We think that is a real peril point. Preferably the level should be not above one-third, because we are fearful that if all or most of the money were to come from a public source some of the great advantages that private institutions now have would be lost. But I do think that across the United States we are going to have to face the question of how to get more public money into the private institutions while preserving their independence.

Second, the private institutions are obviously going to have to work very, very hard to get more private support. They have some advantages here, particularly in the loyalty of their alumni. We had a study of young alumni made by the National Opinion Research Council at the University of Chicago. In a book written for us there is a section called “Memories of Alma Mater,” dividing the colleges and universities across the nation into eight categories, and showing that in terms of strong attachment to the college, strong loyalty to the college, and a strong desire of the alumni to have their children go to their alma maters, the private institutions rate far ahead of most public institutions. They also have, as is obviously
true with the success of your great campaign here, more faithful friends.

But beyond that I think that private institutions are going to have a particular interest in having good student-loan programs available. Yale has introduced its program; Harvard has a rather different one. To make loan programs fully effective, particularly for the small private colleges, we really ought to have a better federal loan system. For those of you interested in this, I particularly recommend what Sweden has done. Our Commission looked around the world to find where the best loan system is and came to the conclusion that it is in Sweden. I would gather that Harvard had looked at the Swedish system because their new program seems to follow the same philosophy. The Swedish system makes loans available to students just as students. They need no collateral, they need no signature by their parents. They pay the loan back over their lifetimes, but the state takes certain of the risks. If someone dies without having repaid his loan, that is absorbed as a risk by the state and is not absorbed by any surviving relatives. If a person becomes handicapped and earns no income whatsoever, the money owed is forgiven. If a person gets a very low income or is unemployed for a certain period of time, he does not have to pay in that particular period. So a lot of the risk is taken by the state. But still the students, by and large, pay back the money over a period of time, depending upon their circumstances. Whether we follow the Swedish system or not, we are going to need a better system of student loans to finance all of American higher education—but particularly our private institutions.

Next, we need to make better use of our resources, and I could do no better in that connection than refer you to a recent book (pub-
lished by our Carnegie Commission) by Howard Bowen and his colleague, Gordon Douglass, called Efficiency in Liberal Education. It is the best statement that has been made on that subject.

I think, however, that the real salvation for the private segment lies in the spirit of the enterprise. We are in a period of change, and whoever leads that change in the most constructive directions will prosper the most. After 1870 it was the modern universities of Harvard and Hopkins and Cornell that prospered the most. Who is going to take the leadership this time and thus prosper the most? I would like to suggest the private segment has an unusual opportunity here. Since it is private, it is freer to innovate. Since, generally, private institutions are smaller and more homogenous, it is easier for them to reach consensus. Since they have a history of leadership in the past, they have more of a sense of pride in leadership. Beyond that, they are under more competitive pressure to find their own salvations—not just in competition with low-tuition state institutions but also amongst themselves. Many private institutions have had local monopolies—students from the immediate geographical area or from some religious sect. Now, the market is more nearly national and colleges are competing with each other more.

If the major direction of American higher education is toward humanization—toward diversity and concern for the individual student, I would say that the private sector is not only now ahead of the public sector, but is more able to move further in that direction because that path is consistent with its long-standing tradition.

Now a few specific reasons why I think the private sector has a particular opportunity. The greatest disaster area in higher education today is in the general education of undergraduates. It is poorly handled; the students do not like it. Faculty members in many places are abandoning it. Yet the times call for undergraduates to get a broad education, a better understanding of society's totality and their place within it. This has been an area where the private institutions have been particularly good in the past. It is at private institutions that faculty and students still are most interested in general education. We asked faculty members across the country what their individual interests were. Was it in training students for an occupation? Was it in preparing Ph.D.'s and M.D.'s and so forth? Was it in research? Or was it in broad liberal education? The one
place where there is a very strong vote for broad, liberal education—a 76% vote as against the other three alternatives—is among the faculties of the liberal arts colleges. And the students in the liberal arts colleges also show the greatest interest. Other faculties have an interest that goes down to only one-third of the level in the liberal arts colleges. I would suggest that one way the private segment could do a great deal for itself and for the young people of this nation and our society would be to renovate general education, once our strongest area and now our weakest.

Second, in our study of student opinion we were surprised to find that while the students almost unanimously said they were against In loco parentis by about an 85% vote they also said that their campuses were not paying enough attention to their emotional growth. This has bothered us; we had thought that emotional growth was a parental responsibility. I have tried to reconcile these two

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reactions by saying, “Well, In loco parentis means rules in advance, well-intentioned rules but rules in advance. Attention to emotional growth means help available when the student needs it and a good atmosphere in which to develop.” Here again I think the private institutions have a special opportunity. They tend to be more residential so there is more chance of contact with the students. Our poll of student opinion also shows that faculty-student contact is at a more satisfactory level in the private institutions generally and the liberal arts colleges in particular. Also the students say they get much better faculty and staff guidance. But it is going to be difficult;
how do we adjust to that request? It is a cry for more attention to emotional development.

Third, students are asking for a chance for more creative opportunities, meaning independent study and attention to the creative arts. Here again the private segment has some advantages.

Fourth and finally, the students are asking for more attention to teaching and less to research—a renovation of the status of teaching and an increase in the rewards for teaching. Here again, when we asked about quality of classroom instruction, it was the private institutions generally, and the liberal arts colleges in particular, which rated well ahead.

In this period of transformation that we are now entering, given the characteristics of the private colleges, and given the nature of the problems as we see them, it would seem that the private colleges have an unusual opportunity to explore new directions and once again to assume a position of leadership. Consequently it is of the utmost importance for their own sake and for all of higher education that they be kept strong and healthy.

Now a comment on The Claremont Colleges. I think this group of colleges is as well situated as any in the country to give the leadership. Your academic prestige is high. Your history with innovation has been successful. Your combined resources, financial and intellectual, are great. And your administrative leadership is superb. So I would say that if there is to be a new and better age for higher education, one major center for its creation will be here at The Claremont Colleges system.