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ABSTRACT
Demographic trends promise to force sweeping changes on postsecondary higher education, particularly the inevitable steady decline in 18-year-olds and the birthrate decline since the early 1960's in the white middle class. The decline in public confidence in American institutions is also a factor to be considered in educational planning. In planning new delivery systems for postsecondary education, the issue of credentials (licensing and accreditation) will be significant. An agenda for improving postsecondary education is proposed by the director of the National Institute of Education. It includes: (1) revisions in evaluation systems to reward a variety of talents in students; (2) cessation of the use of credit hours generated per faculty FTE as the only measure of educational productivity; (3) allowance by state agencies for flexible planning by institutions serving adult part-time learners; (4) consideration of alternative uses of educational facilities; (5) attention to the needs of various ethnic groups and social classes; (6) coordination between higher education institutions and noncollegiate institutions; and (7) definitions and effectiveness of degrees themselves. (L3H)
PLANNING AND MANAGEMENT IN THE FACE OF THE CHANGING DEMOGRAPHIC PICTURE

Harold L. Hodgkinson
Director, National Institute of Education

Extract from
PROCEEDINGS OF THE 1976 NATIONAL ASSEMBLY
National Center for Higher Education Management Systems
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One of the things I have learned in my eight months at the National Institute of Education is that by and large, the federal bureaucracy is probably better governed and more efficient than the average college or university. I work with career bureaucrats—and they are proud of that name. They are well educated, they work a ten-hour day, they are usually in on Saturday, and generally I have been distinctly impressed with the quality of leadership in the federal bureaucracy, especially as it relates to education. I think there is hope, indeed, for the federal government.

NIE provides support in six basic program areas, and in the President's budget for 1977, we are included at $90 million. This would amount to a $20-million increase from our current appropriation: we are one of just three agencies in HEW, out of about 45, that received an increase in the President's budget for next year. The NIE budget is not the full measure of federal expenditure on educational research, development, diffusion, and evaluation, however. In 1975, above $500 million was spent on educational R & D by federal agencies, only $70 million of it through NIE. I am at present chairing a federal committee that is trying to coordinate the efforts of the eight agencies that provide 87 percent of these funds, as well as those of a number of other agencies that make smaller expenditures. We estimate current spending nationally on educational research and development at roughly $600 million, out of a total of $114 billion spent in all education endeavors. So only about one-half of one percent of the total educational expenditure is devoted to finding out what works, what doesn't work, and why. By comparison, agriculture spends 14 percent, medicine 22 percent.
NIE funds about $11 million in activities in higher education annually. NCHEMS is one—and one of which we are very proud. We are heavily involved in the development of new delivery systems in higher education, including a major sponsorship of the University of Mid-America, and we began a new endeavor this year in the field of competency-based education. We fund the ERIC clearinghouses and also the ATS-6 satellite, which provides educational information to geographically isolated citizens. We are supporting a new round of cost-effectiveness studies related to productivity and we are supporting a great deal of work in career education and counseling for adults who have not had previous experience in higher education. We have asked Bill McKeachie, the distinguished president-elect of the American Psychological Association and a well-known researcher in higher education, to help develop a comprehensive plan for NIE's further work in higher education. Clearly, postsecondary education will be on our agenda for the foreseeable future.

Demographic Trends

Our planning will be taking into account some new demographic trends that promise to force really sweeping changes on postsecondary education. I am not a population expert—I simply read, and one of the things I have been reading is a marvelous book by M.C.S. Paul, *The Condition of Education*, published in 1975 by the National Center for Education Statistics. This is one book that planners and everyone interested in educational effectiveness ought to read.

In Paul's book and in other sources, I have encountered a few facts that seem to me fundamentally important. The first is that around 1980, the numbers of people in the 18-to-21 age category will begin a very sharp decline that will continue on at least through 1990. Most of the data indicate that the decline will last longer than that. Keep in mind that this is not a prediction. Those cohorts are already around and the birthrate right now is at the lowest point since statistics were first gathered in 1910. The current rate is 15.6 live births per thousand population, as against 25 live births per thousand population in 1955. That's an enormously rapid decline. Some demographers are of the opinion that the birthrate may rise in the future because a large number of women who put off childbearing will begin having children in their middle twenties and thirties. Whether or not that speculation proves true, a change in the current birthrate would not affect the
size of the traditional college-age cohort for nearly two decades.

More significant, perhaps, than the inevitable steady decline in 18-year-olds, at least until 1990, is the fact that the decline in the birthrate since the early 1960s has not been across the board. Indeed, the decline has been primarily in the white middle-class sector of society. Minority births were relatively constant from 1960 to 1972. As a consequence, a higher proportion of the birth cohort today is from minority-group backgrounds. Those two cohorts are not to be confused. After all, we have more poor whites than poor blacks. What we must realize is that the proportion of births coming from minority groups went from 15 percent in 1960 to 20 percent in 1972 and that the data suggest that by 1985, something like 30 percent of the birth cohort will come from minority backgrounds. The decline in the birthrate in the white middle-class sector since 1960 will reflect itself in the college-age cohort before 1980. But since the birthrate has remained fairly constant among blacks, the proportion of black 18-year-olds will
steadily rise, reaching about 18 percent in 1980. We have in prospect, then, a large increase in the proportion of 18-year-olds from minority backgrounds and a large increase in the proportion of 18-year-olds coming from low socioeconomic backgrounds. By 1980, the conventional college-age pool will be contracting and its ethnic and socioeconomic characteristics will be undergoing marked changes.

Those changes may be ameliorated somewhat by another phenomenon that I find most interesting. Available data show that median family income for whites went up consistently from 1947 to 1971. Black and other racial groups also had increased income.

Figure 2. Median Family Income, by Race of Family Head: 1947-1971

Bureau of the Census, 1973
but the increase was almost exactly proportionate to the increase in white income. So the net reduction in differential was very, very small. But from 1970 and continuing through 1973, which is the limit of available data, median family income among minority groups experienced a net decline by comparison with white income. Should this decline continue, it may well increase the demand for higher education, since Americans traditionally have seen education as the route to economic mobility, among other things.

On the other hand, while income levels of college graduates are still much higher than those of high school graduates, the amount of difference is declining. From 1970 to 1972, the average income of high school graduates increased $1,074, to a level of $9,451. In that same period, the average income of college graduates rose only $420, to $11,553. So in 1970, college graduates in the 25-34 age group made 33 percent more than high school graduates. But by 1972, the differential had decreased to 22 percent. Is that enough to make a significant difference in lifestyle? Is it enough to motivate a student to work hard for four years to earn a degree? These figures apply over only a limited age range, of course, and the influence of education on income among people 35 and older may be different. But the presumed efficacy of higher education as a way of providing extra income still needs to be examined. While confirming data are not yet published, it does appear that for predicting lifetime earnings, the best indicator is not years of education completed, but whether the individual belongs to an organized union. We must consider, then, to what extent the demand for education as a way to achieve income mobility will be offset by a decline in the income differential associated with the college degree.

To me, the most arresting demographic change of the past 50 years has been the increasing early onset of menstruation in females. Sexual maturity occurs in women now at the average age of 11.5 years. That figure has dropped one year for each decade since 1900, when women were maturing between 16 and 17. I expect that is why our colleges for women were virtual cloisters, built in out-of-the-way places where it would be relatively easy to protect the students from themselves in their first years of sexual maturity. Our freshmen today may still seem naive and untutored in the ways of the world, but the fact is that they have been sexually mature for quite a while. Much concern is voiced about the increase in illegitimate births, but this may reflect only an
increase in the number of years during which a woman can become pregnant. How do you plan a system of higher education for people 18 to 21, knowing that there won’t be as many of them and that they have been sexually if not socially mature for about six years when they enter college? That seems to me a very pressing and very difficult question.

Aside from those demographic highlights, I want to bring to your attention another matter that I believe will prove meaningful in determining the market for higher education. It is the widely made assumption that virtually everybody in America now earns a high school diploma. The fact is that about 20 percent of the high-school-age cohort do not graduate. Therefore, the companion assumption that everyone is eligible for community college is inaccurate, because most community colleges still require some kind of certification that high school work has been completed. In short, we still have not accomplished universal secondary education. In 1970, for example, in the age group 7 to 17, 2 million were not in school. The regional variation is considerable, from about 8 percent in the Northeast to 15 percent of 16- and 17-year-olds in the South who were not in school. Our planning should consider how to accommodate the postsecondary education needs of a large number of adults who, for one reason or another, did not make it through high school.

**Decline in Public Confidence**

In contemplating the future of postsecondary education, we have to consider that, as the Harris Poll and other surveys have shown, public confidence in American institutions definitely has declined in recent years. It is important that something be done to restore that faith. But meanwhile, when legislators admonish us that the people have lost confidence in higher education, we can reply that we nonetheless stand higher in the public esteem than legislatures. A survey of a cross section of California adults in 1973, for example, showed that 25 percent of those polled had a lot of confidence in universities and colleges. But only 12 percent had a lot of confidence in the state legislature. Moreover, higher education mustered more faith than organized religions, the public school system, financial institutions, organized labor, manufacturing corporations, or food companies. Nevertheless, when only one in four adults expresses strong confidence in higher education, we must expect public enthusiasm for our plans to be somewhat more restrained than our own.
While the public does not at present fully share our confidence in the validity and value of higher education, we have found out that a great many adults are not satisfied with their own intellectual development. The best data source for this is a survey in which 1,000 15-year-olds were interviewed in 1960 and again in 1975, when they were 30. Their assessment, in the prime of life, about what factors contribute to quality of life and their level of satisfaction in these respects will perhaps surprise you. Ninety percent thought that health, relationship with your spouse, and your job are very important factors determining quality of life—and most adults in the survey were satisfied on these counts. Most thought having children important, and most were satisfied with their parental role. Developing a mature personal understanding of life was important in the view of 88 percent and 72 percent were relatively satisfied that they had done so. As for intellectual development, 84 percent said that this was a very important factor in their life—but only 54 percent were satisfied with their level of intellectual development.

Now these responses were from people only 30 years old, and it may be that sometime during the next decade they'll start reading *Moby Dick* in the evening instead of watching television. But I haven't found any data that indicates such an eventuality. We do know, though, that there is a large cadre of dissatisfied adults who

<table>
<thead>
<tr>
<th>Table 3: Harris Poll—Percentage of Americans Who Express Faith in U.S. Social and Political Institutions—1967 and 1972</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Faith in Banks and Other Financial Institutions</td>
</tr>
<tr>
<td>3. Faith in the Military</td>
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<tr>
<td>4. Faith in the Congress</td>
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<tr>
<td>5. Faith in Chief Executive</td>
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<tr>
<td>6. Faith in the Scientific Community</td>
</tr>
<tr>
<td>7. Faith in Medical Doctors</td>
</tr>
</tbody>
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Figure 4. *Level of Confidence in American Institutions*

<table>
<thead>
<tr>
<th>Institution</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Scientists</td>
<td>58%</td>
<td>34%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Local Police Department</td>
<td>51%</td>
<td>40%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Medical Profession</td>
<td>43%</td>
<td>44%</td>
<td>13%</td>
<td>*</td>
</tr>
<tr>
<td>The FBI</td>
<td>43%</td>
<td>40%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Consumer Groups</td>
<td>37%</td>
<td>42%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>The Presidency</td>
<td>34%</td>
<td>34%</td>
<td>31%</td>
<td>1%</td>
</tr>
<tr>
<td>Public Utilities</td>
<td>33%</td>
<td>48%</td>
<td>17%</td>
<td>2%</td>
</tr>
<tr>
<td>Supreme Court</td>
<td>31%</td>
<td>45%</td>
<td>21%</td>
<td>3%</td>
</tr>
<tr>
<td>Congress</td>
<td>30%</td>
<td>53%</td>
<td>15%</td>
<td>2%</td>
</tr>
<tr>
<td>Environmental Groups</td>
<td>30%</td>
<td>48%</td>
<td>17%</td>
<td>5%</td>
</tr>
<tr>
<td>News Media (Newspapers, Television, and News Magazines)</td>
<td>27%</td>
<td>55%</td>
<td>18%</td>
<td>*</td>
</tr>
<tr>
<td>Universities and Colleges</td>
<td>25%</td>
<td>62%</td>
<td>11%</td>
<td>* 2%</td>
</tr>
<tr>
<td>Organized Religions (Churches)</td>
<td>24%</td>
<td>46%</td>
<td>28%</td>
<td>2%</td>
</tr>
<tr>
<td>Public School System</td>
<td>23%</td>
<td>51%</td>
<td>25%</td>
<td>1%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td>22%</td>
<td>51%</td>
<td>25%</td>
<td>2%</td>
</tr>
<tr>
<td>Organized Labor</td>
<td>13%</td>
<td>50%</td>
<td>34%</td>
<td>3%</td>
</tr>
<tr>
<td>State Legislature</td>
<td>12%</td>
<td>67%</td>
<td>16%</td>
<td>5%</td>
</tr>
<tr>
<td>Manufacturing Corporations</td>
<td>9%</td>
<td>55%</td>
<td>30%</td>
<td>6%</td>
</tr>
<tr>
<td>Food Companies</td>
<td>9%</td>
<td>52%</td>
<td>35%</td>
<td>4%</td>
</tr>
</tbody>
</table>

* Less Than One-half Percent
1 = A Lot                                           2 = Some
3 = Not Much                                         4 = No Opinion

Survey of a Cross Section of California Adults, May 1973

want something more from life than they have thus far received. We have data indicating that 26 million Americans would be interested in returning to some form of postsecondary education, but they need counseling about what form to pursue and more information on what choices they have. Thirteen million Americans would go back to college or university or some other form of traditional higher education tomorrow—if they had information.
Figure 5. *Percentage Distribution of Enrollment in Postsecondary Education, by Type of Institution and by Age of Student: October 1973*

Four-year institutions attract the greatest proportion of students of all age groups, but vocational/technical schools and two-year institutions gain in appeal with increasing age of the students.

*Condition of Education, 1975*
about where to go and how. In 1972, one out of every three American adults was engaged in some form of organized educational activity. So a huge market for postsecondary education exists that has not thus far been tapped.

What do these adults want to learn? Surprisingly enough, a good many don't want college degrees—or even courses, necessarily. Interviews with a very good sample of American adults revealed that 41 percent wanted to take a course, thinking it the best way to get the kind of information they want, but weren't interested in pursuing a degree. Thirty-one percent of this sample simply wanted some assessment of personal competencies: How can they develop a better program of personal goals? How can they get a better notion of their own growth potential? Twenty-eight percent wanted to test their strengths and weaknesses in various skills and subjects, in order to find out what their sources of strength were. To my mind, the most startling fact coming out of this survey is that 20 percent of the American adult population are willing to admit in a face-to-face interview that they feel the need for personal counseling.

When I look at the kinds of things we are now doing for new learners, I am inclined to believe that we are not prepared to deal with the noninstructional educational needs felt by many millions of Americans. The most common strategy in dealing with a new adult learner is simply to keep the campus open longer. Degree requirements remain pretty much the same, but classes are held at different times, residency requirements are often relaxed for adults, and so forth.

A second approach, taken at a few institutions, has been to design a specific curriculum for adult needs as they relate to liberal studies. The individualized study approach, in which each student contracts to do a certain amount of learning and the instructor simply makes sure the contract is fulfilled, has been tried in a few places. The most radical approach in meeting the need of new adult learners is the degree by examination. New York State, I believe, is a leader in this innovation, with its Regents external degree. The curriculum is entirely noninstructional. That is, a degree candidate need not sit in classrooms and generate credit hours: The curriculum specifies what the student is supposed to know rather than what particular series of learning experiences is to be undergone.

But clearly, these ways of meeting the needs of new learners have been relatively unsuccessful in attracting the mass of adults
interested in returning to postsecondary education. The open-door policy adopted at many institutions is widely perceived to have attracted women, ethnic minorities, blue-collar workers, the unemployed—by and large, those who have not previously been successful in education. But as it turns out, this is largely rhetoric. The reality, shown in several studies, is that adults who go back to college or the university are primarily male, Caucasian, middle class, fully employed, and making $12,000 to $15,000 a year. Most have had some previous college experience and a large number are in managerial or professional positions. They are marked by a powerful desire to achieve and a high capacity to persist. The truth is that the new learners in the 25-to-55 age bracket are simply older versions of the conventional college students 18 to 24, with whom we are so familiar. We have not yet tapped the poor, the ethnic minorities, or those who have been turned off by education up until now.

I confess that I am relatively pessimistic about the ability of higher education to meet those needs. I am so because planning education is a very, very long process. It takes quite a while to get change at the classroom level. Thus it seems to me that the new approaches being tried in California and New York to provide counseling and deliver non-instructional services to new learners deserve more attention and emulation.

Credentials and Licenses

I suspect that in planning new delivery systems for postsecondary education, the issue of credentials will be one of the main agenda items over the next decade. Licensing and accreditation probably will become more important in the future, because in times of economic difficulty, a credential helps one to get a job. But in Griggs v. Duke Power, the Supreme Court was emphatic: You may not use a degree or diploma as a requirement for job selection unless you can demonstrate that the specified credential is "demonstrably a reasonable measure of job performance." Of course, you can't measure the job performance of those who are only applicants. There have already been a number of test cases, including Armstead v. Stark District, brought by a public school teacher who was denied tenure and dismissed because she did not have a master's degree. She argued that it was up to the school district to prove that people who have master's degrees teach better than people who don't. And let me suggest that this is a very tough case to make.
We may expect an increasing number of questions to be raised about the significance of credentials, from many sources. As early as 1968, you may recall, a graduate of Columbia University received a bill for two semesters' back tuition in July—and in August sued the University for breach of contract. His line of reasoning was this: The University catalog stated that graduates of Columbia are knowledgeable and aware young men and women, prepared to shoulder their responsibilities to society. But the fact that the student had not paid tuition for two semesters demonstrated that he was still irresponsible. So he demanded not only the return of all of his tuition, which amounted to $14,000, but asked for an additional $20,000 in psychological damages. Fortunately, the case never came to judgment. More recently, a young high school graduate in San Francisco who was found to be functionally illiterate despite his diploma brought a very large damage suit against the school district.

Credentials, of course, are based on grades, on the assumption that those who were high in grades will go out into life and do "A" kinds of things. But again, we now have the results of good research into the relationship between grades in schools and college and success in later life—surprising results. Whatever your criteria for success, you will find it is not predicted by grades in college. Let me quote psychologist David McClelland:

> Researchers have in fact had great difficulty in demonstrating that grades in school are related to any other behavior of importance. . . . It seems so self-evident to educators that those who do well in their classes must go on to do better in life that they systematically have disregarded evidence to the contrary that has been accumulating for some time.¹

If credentials are to continue to be based on grades and grades are not functionally relevant to success in American life, then I see a very real problem on the hands of planners in postsecondary education. We have persuasive evidence that there is not much correlation between high academic achievement and potential for creativity. In fact, one study showed that over 70 percent of a sample of creative students left college before the end of their first year. Typically, they left not because of financial trouble or difficulties in their personal life, but because they could not tolerate the kinds of activities expected of a college student.

Let me now offer an agenda for improving postsecondary education—eight steps that I think should be seriously contemplated in your planning.

1. A system of evaluation of student performance should be developed, both in institutions and at the state level, that rewards a variety of talents in students.

2. These new ways of evaluating the effectiveness and potential of people should be visible, clear, and defensible. Making public the evaluation criteria for education seems to me a most promising idea.

3. Postsecondary education ought to stop using credit hours generated per faculty FTE as the only measure of educational productivity. I say that for the one good reason that no one has ever felt, smelled, heard, or seen a credit hour. A credit hour is simply a measure of time spent in a place of instruction in the presence of some instructional medium. But we all know that only the most nebulous relationship exists between time spent and education attained, in the sense of new information gathered or new skills learned. Other measures are available: if you cannot use them to supplant the credit hour, you can at least use them in conjunction with that most questionable measure of productivity.

4. State agencies, whether coordinating commissions or governing boards, should allow institutions to plan flexibly to serve the new adult part-time learners, who may become the most important constituents of postsecondary education within a few years. I suspect their interests will be highly localized, and it should be up to the institution to develop curricula and services flexible enough to meet local needs.

5. Consider alternative uses of educational facilities. Some institutions have converted unneeded dormitories to other residential uses—post-surgical rehabilitation centers, for example, and homes for the elderly. If any of you are thinking about new construction, make it as flexible as you possibly can.

6. Focus attention in your institution and your state on the unmet and heretofore unrecognized needs of various ethnic groups and social classes. I am convinced that there is much potential work for postsecondary education in this area. Once we fully grasp the problem I believe that without any diminution of standards, we can effectively meet the needs of ethnic groups and the poor while maintaining rigorous criteria for the awarding of credentials.

7. There should be a great deal more coordination within the
states between colleges and universities oriented to higher education and noncollegiate institutions that have postsecondary applications. There are more than 10,000 vocational-technical schools. In addition, newspapers, television, libraries, museums, theaters—all these have enormous potential as agents of postsecondary education. But the coordination job cannot be done entirely at the state level. Perhaps we should establish regions within a state in which consortia will be formed to promote coordination among the various institutions and agencies that have a role or potential role in postsecondary education. This is already being tried, in Los Angeles and other places.

8. Finally, I think we ought to make it clear whether or not a particular degree is to be considered a license. We may be coming to the time when we will have to distinguish explicitly between credentials that correlate with job effectiveness (and which may be earned in a variety of ways, not necessarily in colleges and universities) and degrees that are statements of intellectual interests and attainment, but do not necessarily relate to the world of work. Until this is done, the courts are likely to continue to hand down decisions in line with Griggs v. Duke Power.

This agenda is my attempt to establish a perspective for postsecondary education planning that will be consonant with coming change. From the purely traditional point of view, the next decade may seem to offer no better prospect than the closing of large numbers of colleges and universities. But I suggest that from a more constructive perspective, the prospect for the next decade may well be the creation in every state of a coordinated, adaptable consortium, consisting of a variety of educationally potent institutions able, by various means, to meet the needs of all adult citizens. If that is to come about, you have to plan to develop a cadre of teacher-counselors at a level of sophistication currently unknown in this country. Without neglecting financial problems, you must look beyond them to assess the degree to which your state is meeting the variety of educational needs felt by its citizens. This very complex planning job will require more humanity than was characteristic of planning for higher education in the 1960s.

The task, the responsibility, of planning is not going away. We have just begun. The job, like the times, will be difficult. But I recall that when I first went to NIE, someone told me the Japanese definition of crisis—and I'd like to commend it to you. In Japanese, a crisis is defined as a “threatening opportunity.”

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