Demographic data show that the size of the traditional college-age population will decline in the 1980's and may continue downward in the 1990's. College enrollment projections vary greatly. Enrollments will be influenced by demographic factors, the social priority of higher education, parental expectations and resources, economic trends, technological influences, trends in credentialing for specific occupations, desire for life-long learning, attendance by part-time and older students, value shifts among young people, and interest in acquiring skills for service. Many institutions will face steady or declining enrollments. Enrollment problems may be particularly severe at independent institutions. Institutional autonomy, mission, costs, and administrative burdens will be affected by federal and state policies and regulations. Legal questions regarding personnel decisions and practices, collective bargaining, and the constitutionality of aid to church-related institutions will influence higher education. Inflation rates for higher education costs are higher than for the economy as a whole and adversely affect institutions. Institutions must assess their own specific environments and take positive action to deal with the problems and to take advantage of the opportunities. The United Methodist Church is an important aspect of the environment of colleges and universities related to it. The church's financial and moral support for its institutions shows its continuing concern for them. Patterns of support vary greatly with geographic area and type of institution. (Author)
Toward 2000
Perspectives on the Environment for United Methodist and Independent Higher Education

T. Michael Elliott
Renée G. Loeffler
Kent M. Weeks
Diane Dillard

A STAFF REPORT FOR THE NATIONAL COMMISSION ON UNITED METHODIST HIGHER EDUCATION

"Permission to reproduce this copyrighted material has been granted by the National Commission on United Methodist Higher Education. Further reproduction outside the ERIC System requires permission of the copyright owner."
MEMBERSHIP

PAUL HARDIN
President, Drew University
Chairman

JAMES C. CORMAN
U. S. Congressman, California

AUGUST W. EBERLE
Professor of Higher Education
Indiana University

LLOYD C. ELAM
President, Meharry Medical College

RICHARD C. GERHAN
Professor of Economics
Baldwin-Wallace College

THOMAS K. KIM
President, McMurry College

JOHN F. MURPHY
Executive Secretary, College and University Department, National Catholic Educational Association

WILLA B. PLAYER
Director, Division of College Support, U. S. Office of Education, Department of Health, Education and Welfare

ROBERT RANKIN
Vice President, The Danforth Foundation

ROY B. SHILLING, JR.
President, Hendrix College

JOHN R. SILBER
President, Boston University

HARRY E. SMITH
Executive Director, Society for Values in Higher Education

ELMER B. STAATS
Comptroller General of the United States

RALPH M. TANNER
Professor of History
Birmingham-Southern College

CAROLYN WARNER
Superintendent of Public Instruction, Department of Education, Arizona

D. FREDERICK WERTZ
Resident Bishop, West Virginia Area
The United Methodist Church

STAFF

T. MICHAEL ELLIOTT
Executive Director

DIANE DILLARD
Assistant to the Director

KENT M. WEEKS
Associate Director

RENÉE G. LOEFFLER
Associate Director

National Commission on United Methodist Higher Education
Suite 925, 1808 West End Building
Nashville, Tennessee 37203
615/329-9393
Toward 2000
Perspectives on the Environment for United Methodist and Independent Higher Education

National Commission on United Methodist Higher Education
NASHVILLE, TENNESSEE
**TABLE OF CONTENTS**

National Commission on United Methodist Higher Education ........ 7

Introduction ......................................................... 9

**CHAPTER 1**  
The College Enrollment Environment .............................. 11

**CHAPTER 2**  
Governmental and Economic Aspects of the Environment ............ 37

**CHAPTER 3**  
The United Methodist Church as an Aspect of the Environment .... 45

**CHAPTER 4**  
Commanding the Future ........................................... 55

Appendix ................................................................. 59

Bibliography .......................................................... 63
The National Commission on United Methodist Higher Education was established by the Board of Higher Education and Ministry of The United Methodist Church in January, 1975. The National Commission's work consists of five broad areas of investigation:

1. An analysis of church policy with respect to The United Methodist Church's involvement in higher education through related institutions, campus ministries, and the support services of the Board of Higher Education and Ministry.

2. An analysis of the environment in which higher education functions and in which it will function in the future, including social, economic, and demographic trends which will affect independent higher education and the church.

3. An analysis of public policy and legal issues related to institutional/state and church/state relationships. Alternative social goals for public policy will be examined along with strategies to implement such goals.

4. An analysis of institutional goals, problems, organizational relationships, support structures, and institutional health, including modeling of effects of alternative church and public policies.

5. An analysis of the current system of campus ministries, including goals, problems, organizational relationships and support structures.

Recommendations based on these analyses will be developed for the appropriate constituencies including public policy makers, institutions, campus ministries, and church members and officials.

Recognizing that many of the problems and concerns the National Commission will be addressing are not peculiarly United Methodist but involve all of independent and especially church-related higher education, an Interdenominational Advisory Group to the National Commission was formed. The Interdenominational Advisory Group consists of staff from the following:
Representatives from the above denominations and organizations have committed their time to the work of the National Commission and are sources of information and insight.

The National Commission is an extraordinary organization in several respects. First, the National Commission is a true ad hoc agency, designed to self-destruct at the end of two and a half years. No resources will be expended to perpetuate either the Commission or positions for its staff. Second, the National Commission's charge was totally open-ended. There are no a priori conclusions or commitments to the status quo in United Methodist higher education with respect to either campus ministries or institutions. Even the Board of Higher Education and Ministry, the Commission's parent organization, has opened itself to examination and evaluation by the National Commission. Third, the National Commission staff are independent-minded generalists in higher education. They are committed to rigorous scholarship in the conduct of the various research studies and the formulation of the National Commission policy recommendations. Finally, the National Commission membership is a highly diversified group of persons, each having achieved distinction in his or her own right. This collective experience and wisdom constitute an extraordinary resource committed to what is probably the most comprehensive study ever undertaken by any denomination of its interest and investment in higher education.
INTRODUCTION

This volume is one of a series of staff reports prepared for the National Commission on United Methodist Higher Education. Its primary purpose is to inform the deliberations of the National Commission. Commission recommendations regarding church policy in higher education, public policy, and institutional action must all be made with due awareness of the environmental context. Therefore the National Commission staff has attempted to analyze the key elements in the environment of independent and church-related institutions of higher education, with special reference to United Methodist-related institutions. Although addressed initially to the National Commission, this general assessment of environmental factors should also be helpful to college administrators and trustees who seek to understand their own institutional environments. While conditions for individual institutions will necessarily be at variance from the national overview presented here, that very variance should be instructive.

Three elements of the environment generally relevant to all independent higher education are addressed in this volume: population trends and other social factors that influence enrollments; the economy; and the regulatory and legal environment. A fourth element that specifically affects United Methodist institutions is also discussed—the policies and programs of The United Methodist Church. While each of these elements is discussed separately for clarity in presentation, such separation is artificial. Various components of the environment of educational institutions interact in ways which cause changes in one to affect others. Some of these interactions are addressed here, but no attempt is made to trace all of the interdependencies operating in the environment.

The limitation of this volume to a discussion of factors external to institutions in no way implies that internal factors are not crucial to the future of independent higher education. Both internal institutional issues and additional questions concerning the relationship between United Methodist-related institutions and the church are discussed in other publications of the National Commission.

There are many to whom the Commission staff are indebted for their assistance in preparing this report. Dr. John W. Harris, formerly a member of the staff, had a primary involvement in early drafts of some sections.
Others who provided especially useful assistance include: Kenneth E. Boulding, Stephen P. Dresch, Leo J. Eiden, Loretta Glaze Elliott, and Margaret S. Gordon. Graphic designer and layout artist for National Commission publications is Hermann F. Zimmermann of Design-Graphics, Inc., Nashville, Tennessee. To all of these we express our gratitude and acknowledge our debt, but it is the staff of the National Commission that bears full responsibility for the contents of this report. Although the National Commission on United Methodist Higher Education has received and will utilize this environmental assessment as it conducts its work, the conclusions drawn and interpretations suggested herein have not been adopted or otherwise approved by the National Commission membership.

T. Michael Elliott
1. The College Enrollment Environment

Introduction

The past quarter century has been a period of tremendous growth in American colleges and universities. Total degree credit enrollment increased from 2,281,298 in 1950 to 9,731,431 in 1975, an increase of 327%. The 1960s was a decade of particularly rapid expansion with enrollments growing by 121% between the fall of 1960 and the fall of 1970.1

Despite the rapid increase in enrollments in the recent past, many observers believe that we are now entering a period in which enrollments will level off and eventually decline. Because of this potential, a number of efforts have been made to project enrollments for the next 20 or 25 years. Fundamental to any such projections are assumptions about the reasons people go to college. Because those reasons are quite varied, it is difficult to make long-term predictions with a high level of confidence. Nonetheless, such projections can be informed by a careful review of the several fundamental variables that will affect future enrollments: the population trends and social and economic factors influencing individual decisions to enroll in a college or university.

Population Trends

Population size is obviously a factor that influences the number of students enrolled in higher education. Consequently, projections of college enrollments are typically based on projections of population statistics. The fundamental variables in any such projection are the segments of the population on which college enrollment projections should be based. That is, what relative weight should be given to various segments of the population in making enrollment projections? Such projections have generally been based on the anticipated size of the traditional college-age population pool, variously defined as 18-21 or 18-24 years of age. Projections based on those age groups may be subject to criticism, however, because of the increase in recent years in the proportion of college students who are older than 21 or 24. With respect to enrollment pro-

The crucial question is whether enrollments of older students will become of such importance that projections based solely on the size of the traditional college age group will prove to be substantially inaccurate.

A later section of this chapter will examine the impact on enrollments of assuming that an increasing proportion of students will be beyond traditional college age. In this section, however, projections are based on the 18-24 year-old population. As will be subsequently discussed, the characteristics of most United Methodist-related institutions suggest that this age group is likely to continue to be the one that will be of key importance for United Methodist enrollments. For individual United Methodist institutions, however, the older student may indeed play an important part in future enrollments.

One problem often encountered in making long-term enrollment projections is the necessity first to make projections of population. Building projections upon projections clearly increases the chances of error. That problem does not exist in shorter term projections because the size of the relevant population pool is already known. Table 1 shows the number of 18-year-olds and the size of the 18-24 year-old population pool for each decade from 1960 through 1990. The figures for 1980 and 1990, though estimates, are extremely reliable because all persons in that age cohort have already been born, and it is only a matter of using conventional actuarial techniques to estimate with a high degree of reliability the number surviving until 1980 and 1990.

Table 1 shows that although the number of 18-24 year-olds grew tremendously between 1960 and 1970, increasing by 53%, such rapid growth in the size of the traditional college age population will not continue. Although this group will continue to grow in size until the early 1980s, the decade increase between 1970 and 1980 will be only 19%. A decline in this population group will then begin in the early 1980s so that by 1990 there will actually be 15% fewer 18-24 year-olds than in 1980. That age group will not only be smaller in size in 1990 than in 1980, but smaller than in 1976. There will be 10.6% fewer 18-24 year-olds in 1990 than in 1976. The decline will continue at least through 1992, the latest year for which firm projections are currently available.

---


<table>
<thead>
<tr>
<th>Year</th>
<th>18-Year-Old Population</th>
<th>Decade Percent Change</th>
<th>18- to 24-Year-Old Population</th>
<th>Decade Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>2,529,000*</td>
<td>—</td>
<td>16,128,000*</td>
<td>—</td>
</tr>
<tr>
<td>1970</td>
<td>3,786,000*</td>
<td>+49%</td>
<td>24,683,000*</td>
<td>+53%</td>
</tr>
<tr>
<td>1980</td>
<td>4,206,000†</td>
<td>+12%</td>
<td>29,441,000†</td>
<td>+19%</td>
</tr>
<tr>
<td>1990</td>
<td>3,444,000‡</td>
<td>—18%</td>
<td>26,162,000†</td>
<td>—15%</td>
</tr>
</tbody>
</table>

‡ Ibid., p. 82.

The decline in the number of 18-year-olds, the group from which college freshmen are traditionally drawn, will be even more dramatic. Table 1 shows a decrease in their numbers between 1980 and 1990 of 18%. The size of the 18-year-old population in 1976 is estimated to be 4,249,000§. In 1992, the number of 18-year-olds will be slightly under 3.2 million," 25% fewer than in 1976.

Although population projections until 1992 can be made with great certainty, projections beyond that point depend upon assumptions concerning the number of children who will be born in future years. The Bureau of the Census uses three different "fertility" assumptions in making population projections, assuming an average of 2.7 live births per woman's lifetime, 2.1 live births per woman, and 1.7 live births per woman. The Bureau acknowledges that future fertility rates are very uncertain but describes the assumptions behind the middle value (2.1) as "appearing at this time to be a reasonable choice." §

Table 2 compares the number of 18-24 year-olds in 1976 with three projections of the size of the same age group in 2000. The projection which
TABLE 2. COMPARISON OF ESTIMATES OF SIZE OF 18- TO 24-YEAR OLD POPULATION GROUP IN 1976 AND 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>18- to 24-Year-Old Population</th>
<th>Percent Change from 1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>28,161,000*</td>
<td></td>
</tr>
<tr>
<td>2000 — Series I Estimate (2.7)</td>
<td>30,578,000†</td>
<td>+ 8.6%</td>
</tr>
<tr>
<td>2000 — Series II Estimate (2.1)</td>
<td>26,328,000†</td>
<td>- 6.5%</td>
</tr>
<tr>
<td>2000 — Series III Estimate (1.7)</td>
<td>22,817,000**</td>
<td>-19.0%</td>
</tr>
</tbody>
</table>

† Ibid., Table 7, Series I, p. 66.
‡ Ibid., Table 8, Series II, p. 92.
** Ibid., Table 9, Series III, p. 118.

the Bureau of the Census currently considers to be the most reasonable, Series II, shows that in 2000 the number of 18-24 year olds will be 6.5% fewer than in 1976. Series I, which assumes a major increase in current birthrates, predicts that the same group will be 8.6% greater in 2000 than in 1976. If there should continue to be a decline in the birthrate and Series III should prove to be the more accurate projection, there will be 19% fewer 18-24 year-olds in 2000 than in 1976.

Summarizing the above data, one can say with assurance that the size of the population group from which the majority of college students have traditionally been drawn will be substantially smaller in the early 1990s than in the late 1970s. The best current estimate of the Bureau of the Census is that although the size of that group will grow slightly during the 1990s, its size in the year 2000 will still be substantially below the size of the same age group in the late 1970s.

In addition to a certain decline in the coming years in the size of the traditional college-age population pool, there is evidence suggesting that the percent of that pool who actually enroll in higher educational institutions may be declining. Dresch points out that until recently we appeared on the way to universalization of higher education. In 1900, about 6% of each age cohort graduated from high school, but by 1970 the figure had risen to 80%. In 1950, 30% of the 18- and 19-year-old population
were in secondary or postsecondary education, but by 1968 the figure was 50%. Since that time, however, attendance rates have declined. Although the rates have fluctuated, in each of the six years after 1968 they were lower than in that year. In 1974, the last year for which data are now available, only 43.1% of 18-19 year-olds were enrolled in school.8

Another study documents that the percentage of 18- and 19-year-old men going to college (undergraduate, degree credit) reached a high of 44% in 1969 but declined to 35% in 1973, a drop of more than nine percentage points in four years. A similar decline, although of less magnitude, was noted for 18- and 19-year-old women, of whom 34% attended college in 1969 while 31% did so in 1973. Due to the greater decline among men than women during this four-year period, the men's attendance level in 1973 was only slightly above the 1960 level (33%) while the women's level was 9 percentage points above the 1960 level of 22%.9

The effect of a declining propensity to undertake a college education is shown in data on the number of first-time degree credit enrollments in institutions of higher education. In 1970, there were 1.78 million students in that enrollment category. By 1972, such first-time enrollments had decreased to 1.74 million, a decline of 2.3%. There was a slight upturn in 1973, to a little under 1.76 million, a level still 1.3% below that for 1970.10

The decline in the rate of college-going caused many analysts to project only modest increases in enrollment for 1974 and 1975, despite the still growing population pool of traditionally college-aged persons. When economic and other circumstances resulted in increases greater than those projected, many persons in higher education began to doubt those who were projecting dire times in the years ahead. In fact, the gains evidenced in 1974 and 1975 should provide small comfort to persons concerned with the future of independent higher education through the 1980s. The recent increases occurred at a time when the slope of the population curve for 18-24 year-olds was still very positive, even if slowed from earlier years. There can be no denial that such growth will

---

FIGURE 1. HOW DIFFERENT PROJECTIONS AND POSSIBILITIES FOR ENROLLMENT IN HIGHER EDUCATION COMPARE WITH THE 1974 LEVEL OF ENROLLMENT (PERCENTAGE COMPARISONS)

* Froomkin sets forth three "scenarios."
* Enrollment level for full-time undergraduates in the state of New York.
* Leslie and Miller assume that enrollment in higher education is linked directly to the rate of growth of the total gross national product. The Council has estimated the implied growth on the assumption that real GNP rises at an annual average rate of 3.5 percent a year from 1974 to 2000.

not characterize the analogous population during the 1980s. Even more important for independent higher education, however, is the fact that the growth in first-time degree credit enrollments in 1974 and 1975 benefited state sector institutions far more than independent institutions. First-time degree credit enrollments in state institutions were 11.5% higher in 1975 than in 1973. The comparable figure in the independent sector was only 4.3%. Even more dramatic is the comparison between 1975 and 1970 enrollments. In 1975, first-time degree credit enrollments in state institutions were 10.2% higher than in 1970. In the independent sector, they were 1.5% lower than in 1970.\textsuperscript{11}

Given this complex pattern of bases for predictions, it is not surprising that enrollment projections for the 1980s and on to 2000 vary a great deal. This variation is made quite vivid in the chart reproduced from More Than Survival (see Figure 1). Bowen's projections for the year 2000 are six times greater than the most pessimistic projections for the same year. The projections displayed in this chart appear to have three different types of rationales: (1) The most optimistic assume dramatic increases in the number of part-time students and people from age ranges who have not traditionally gone to college in great numbers, as well as greater participation from minorities and women. These projections tend to be statements of what is perceived to be good (for society as well as higher education) rather than extensions of any current trends. (2) The projections that do not deviate greatly from the 1974 FTE enrollment usually are based on some gains in part-time students, other age groups, minorities and women, along with assumptions of no major decline in the percent of the traditional college-age population attending college. That is, they estimate enrollments from college-age population projections assuming that a relatively fixed percentage of the college-age population will attend college. (3) More pessimistic projections are those based primarily on estimated manpower needs, may assume a severe slowing of general economic growth if not a steady-state economy, and extend the compounded effects of a declining population pool and declining participation rates from that pool.

**Comparison of United Methodist and National Enrollment Data**

The fifteen year period from 1960 to 1975 was one of enormous growth in American higher education. While the 18-24 year-old population in-\textsuperscript{11} Calculated from 1975 prepuplication data obtained from the National Center for Education Statistics, *Fall Enrollment in Higher Education, 1975.*
creased 71% in those years, total degree credit enrollments, state and independent, increased 172%—almost 2½ times the increase in the number of 18-24 year-olds. (See Figure 2.) However, the growth of the state sector during these years was much larger than the growth of the independent sector. Enrollments in state institutions increased 251% from 1960 to 1975 while those in independent institutions increased only 57%. During the same period enrollments in United Methodist institutions grew only 41%. Except for the junior colleges, United Methodist enrollments did not keep pace with the nation's independent sector enrollments, fell further behind the growth in the 18-24 year-old population, and were even further below the state sector enrollment increase.

Total United Methodist enrollments reached a peak of 178,637 in 1970 and then declined to 173,590 in 1973, a loss of 1.7%. Although this decline was not large, it occurred during a period when national enrollments as a whole grew by 7.6%. United Methodist institutions did share in the upsurge in enrollments in 1974 and 1975, so that by 1975 they were up to 176,524—almost the same level as in 1970. That recovery is not as

FIGURE 2. PERCENT INCREASE FROM 1960 TO 1975, POPULATION AND ENROLLMENTS OF SELECTED INSTITUTIONAL GROUPS

<table>
<thead>
<tr>
<th>18-24 Year-Old American Population</th>
<th>Total American Higher Education Enrollment</th>
<th>Total State Sector Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Independent Sector Enrollment</td>
<td>Total United Methodist Enrollment</td>
<td>United Methodist University Enrollment</td>
</tr>
<tr>
<td>United Methodist Senior College Enrollment</td>
<td>United Methodist Junior College Enrollment</td>
<td>SOURCE: Appendix Tables A.1 and A.2.</td>
</tr>
</tbody>
</table>
comforting as it may appear, however, for state sector enrollments in 1975 were 12.9% higher than in 1970, and enrollments for the entire independent sector were 8.7% higher.\(^\text{12}\)

Before turning from enrollment history to projections of future enrollments, it would be useful to consider which variables seem to be the most important determinants of college enrollments. The disparate rates of change shown in Figure 2 suggest that there were factors other than the size of the 18-24 year-old population determining enrollments in the various sectors of higher education. However, correlating all of these variables with each other demonstrates that the size of the traditional college-age population is still the best predictor of college enrollments.

Table 3 displays the correlation matrix for the 18-24 year-old population and all of the enrollment categories displayed in Figure 2. There is an almost perfect correlation between the size of the 18-24 year-old population and both the total higher education degree credit enrollment \((r = .998)\) and the total state sector enrollment \((r = .996)\). The correlation with independent sector enrollments \((r = .960)\) is only slightly lower. In each case, the variable of 18-24 year-old population accounts for more than 90% of the variance \((r^2)\) in the dependent variable enrollment.

United Methodist enrollments are not as highly correlated with the 18-24 year-old population group as are state and total independent sector enrollments. While total Methodist enrollments correlate fairly highly with population \((r = .913)\), they are most highly correlated with total independent sector enrollments \((r = .987)\). Correlations vary considerably, however, among the various components of the United Methodist system. Table 3 shows that, for each of the variables in the table, the correlation coefficients of the United Methodist universities and the independent sector as a whole are almost exactly the same. As in the case for the independent sector as a whole, United Methodist university enrollments are closely correlated with the 18-24 year-old population \((r = .956)\). The situation with respect to other components of the United Methodist system is somewhat different. Enrollment in United Methodist senior colleges is highly correlated with independent sector enrollments \((r = .973)\) but less highly correlated with college-age population \((r = .884)\). Population has the least predictive value for the United Methodist junior colleges \((r = .621)\), accounting for less than 40% of

\(^{12}\) See Appendix Table A.1.
the variance. Junior college enrollment is moderately correlated with independent sector enrollments \( r = .802 \).

### TABLE 3. CORRELATION MATRIX OF 18-24 YEAR-OLD POPULATION, NATIONAL ENROLLMENTS AND UNITED METHODIST ENROLLMENTS —1969-1973

<table>
<thead>
<tr>
<th>Variable</th>
<th>POP</th>
<th>HED</th>
<th>STATE</th>
<th>INDPT</th>
<th>MTOT</th>
<th>MUN</th>
<th>MSR</th>
<th>MJR</th>
</tr>
</thead>
<tbody>
<tr>
<td>POP</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HED</td>
<td>.998</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATE</td>
<td>.996</td>
<td>.999</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>INDPT</td>
<td>.960</td>
<td>.957</td>
<td>.943</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTOT</td>
<td>.913</td>
<td>.907</td>
<td>.888</td>
<td>.987</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUN</td>
<td>.956</td>
<td>.952</td>
<td>.939</td>
<td>.993</td>
<td>.988</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MSR</td>
<td>.984</td>
<td>.974</td>
<td>.853</td>
<td>.973</td>
<td>.996</td>
<td>.972</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>MJR</td>
<td>.921</td>
<td>.912</td>
<td>.579</td>
<td>.802</td>
<td>.871</td>
<td>.795</td>
<td>.901</td>
<td>1.000</td>
</tr>
</tbody>
</table>

In summary, these data suggest the two variables with the highest predictive value for United Methodist institutions are enrollments in the independent sector as a whole and the size of the 18-24 year-old population. With respect to both of these variables, university enrollments are the most highly correlated, followed by senior college and then junior college enrollments.

### Projections

Table 4 displays the size of the 18-24 year-old population and degree credit enrollments by sectors for 1960 and 1970 and projections to 1980 and 1984.

The projections made by the National Center for Education Statistics (NCES) for total degree enrollment reflect an expectation of a relatively
TABLE 4. ESTIMATED 18-24 YEAR-OLD POPULATION AND TOTAL
1984

<table>
<thead>
<tr>
<th>Year</th>
<th>18- to 24- Year Old Population</th>
<th>Total Degree Credit Enrollment</th>
<th>Type of Control</th>
<th>United Methodist Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>16,128,000</td>
<td>3,583,000</td>
<td>2,116,000</td>
<td>1,467,000</td>
</tr>
<tr>
<td>1970</td>
<td>24,683,000</td>
<td>7,920,000</td>
<td>5,800,000</td>
<td>2,121,000</td>
</tr>
<tr>
<td>1980</td>
<td>29,441,000</td>
<td>10,173,000</td>
<td>7,963,000</td>
<td>2,210,000</td>
</tr>
<tr>
<td>1984</td>
<td>28,458,000</td>
<td>9,811,000</td>
<td>7,760,000</td>
<td>2,031,000</td>
</tr>
</tbody>
</table>

SOURCE: See Appendix Table A.1.

constant relationship between the size of the 18-24 year-old population and higher education enrollments. For example, in 1974 for every 1,000 persons 18 to 24 years old, there were 335 people enrolled for degree credit in American higher education. The enrollment projected for 1984, the latest year for which NCES projections are available, shows only a slightly higher ratio—for every 1,000 such persons, the projected enrollment is 345. In 1960, 41% of the total degree credit enrollments were registered by independent sector institutions. By 1975, the percentage shares of national enrollments were 24% independent and 76% state. The NCES projections for 1984 set these shares at 79% state and 21% independent.

The NCES projections for independent higher education are not very encouraging. They suggest that after enrollment peaks in the early 1980s, independent institutions will have a smaller share of a declining total enrollment. The size of the total degree credit enrollment will probably be increased in the next NCES projections because of the larger than expected increases experienced in the fall of 1975. There is no indication, however, of any need to reassess expectations concerning the independent sector’s share of the enrollments.

Our primary concern is not with total independent sector enrollments but with United Methodist enrollments. Table 4 showed that United Methodist enrollments have been most highly correlated with total independent sector enrollments. It would be ideal, therefore, to base our projections of United Methodist enrollments on independent sector enrollments. However, the figures for independent sector enrollments are themselves projections and such a procedure would therefore be subject to compounded error. To base one set of projections upon another in-
evitably increases the likelihood of substantial error. An alternative is to base United Methodist enrollment projections on the variable with which they have had the second highest correlation in the past, the size of the 18-24 year-old population group. The correlation between total United Methodist enrollments and this population group from 1960 to 1975 was $r = .913$, meaning that the size of the traditional college-age population accounted for over 83% of the variance in total United Methodist enrollments. The following projections of United Methodist enrollments are based on the size of the 18-24 year-old population in each year for which projections are made. As was pointed out earlier, we can estimate the size of that population group with a very high degree of accuracy through the early 1990s.

In 1960, for every 129 people 18-24 years-old, there was 1 full-time equivalent enrollment in a United Methodist institution. This ratio remained relatively constant from 1960 to 1968, ranging from 1:126 to 1:131. Beginning in 1969, United Methodist enrollments began to slip behind population growth and, in that year, included one student for every 138 college-age persons. By 1973, the ratio was 1:152; by 1976, it was 1:156.

There are two basic assumptions one might make in projecting future United Methodist enrollments on the basis of the size of the 18-24 year-old population pool. The first alternative is to use the ratio in the most recent year for which data are available, 1975, and project that ratio as a constant. In other words, one would assume that in each year United Methodist institutions would have an enrollment equal to one out of every 156 persons 18-24 years of age. Alternatively, one could assume that the decline in the ratio of United Methodist enrollments to population that occurred from 1968 through 1975 would continue. During that period, the ratio decreased by an average of 3.6 persons per year. Enrollment projections could be based on the assumption that the ratio would continue to change at the same average annual rate. Figure 3 shows United Methodist enrollment projections based on these two assumptions for the years 1980, 1985, and 1990.

If Assumption 1 were to prove valid, United Methodist institutions would exactly parallel the projected population curve, peak in the early 1980s, and decline dramatically thereafter. If Assumption 2 were to prove valid, the projected decline would begin sooner and be much more dramatic. In either of these scenarios, United Methodist institutions are projected to enroll fewer students in 1990 than they did in 1975. Using
the first assumption, enrollments are projected to decline to 161,000—about the same enrollment level as in 1965. The second, more pessimistic assumption projects a decline to 120,000 students—an enrollment level below that of 1960.

Neither of these two projections should be interpreted literally. There are clearly a multitude of variables that affect college enrollments and which cannot be built into projections such as these. Ultimate enrollments may well be somewhere between these two extremes, or even outside the range they bound. The conclusion that cannot be escaped, however, is that unless there should be a radical change in United Methodist enrollment patterns, dramatic declines in enrollment must be expected.
to occur in the 1980s. Some have suggested that enrollment patterns throughout higher education will change dramatically, that upsurges in the enrollment of older people will offset the decline in the traditional college-age population, for example, or that enrollment rates among young people will increase sufficiently to compensate for the population decline. Possible impacts of such changes are discussed in the next section of this chapter. It is pointed out there, however, that even if major shifts in enrollment patterns should occur, it is likely that they will not benefit most United Methodist institutions to the same extent that they benefit higher education as a whole. One must bear in mind, however, that projections for the total set of United Methodist institutions do not necessarily hold for any individual institution or set of institutions. There may be quite different patterns found, for instance, among the universities, the senior colleges, and the two-year institutions. Figure 2 showed that United Methodist junior college enrollments almost kept pace with total independent sector enrollments during the period from 1960 to 1975. The universities were second, followed by the senior colleges.

As was pointed out earlier, it is possible to predict with a high degree of accuracy the number of 18-24 year-olds through the early 1990s because all of the members of that population pool have already been born. Population projections for the same age group in the year 2000 are much more difficult to make because most of the members of that group are not yet born. As was shown in the discussion of Table 2, the Bureau of the Census has made three different estimates of the number of 18-24 year-olds in the year 2000. They currently consider the Series II estimate to be the best one.

Figure 4, using the same two assumptions that were used in the projections displayed in Figure 3, projects United Methodist enrollments in the year 2000 for each of the three Census Bureau population estimates. Of the six enrollment projections for United Methodist institutions in 2000, only one, the projection using Series I and Ratio Assumption 1, results in a projected enrollment higher than the actual 1975 level. This projection is the compound result of the two most "optimistic" assumptions, as it assumes both a substantial increase in the average number of children born to each woman as well as the maintenance of a constant ratio between United Methodist enrollments and the number of 18-24 year-olds. If the Series II, Ratio 1 projection of 169,000 were to prove accurate, the result would be a return to the enrollment level of 1966. Each of the other projections is even lower and suggests further shrinkage in United Meth-
odist enrollments between 1990 and 2000. These projections are clearly very speculative and do not provide a basis for current institutional planning. They do, however, suggest a range of possibilities of which institutions should be aware. In the next few years, as the relevant birth data become available, it will be possible to refine these projections and provide some basis for long-term institutional planning.
Although the outlook for United Methodist enrollments is rather pessimistic, projections need not be self-fulfilling prophecies. If individual institutions rigorously review their own enrollment environment and realistically examine their programs and prospects, they may be able to anticipate and cope with future contingencies in ways that will give them a competitive advantage vis-à-vis others that simply take comfort in the most recent upturn in enrollments and fail to prepare adequately for the future.

Social Factors Affecting Enrollments

This section presents briefly some contingencies beyond demographics of the traditional college-going population which may influence higher education enrollments. The manner in which United Methodist institutions deal with these contingencies will in large part determine whether they regain their historic share of the market, retreat to a diminished position, or give way to rampant erosion.

Social Priority of Higher Education

Education in general seems to have slipped in the ranking of social priorities. An indication of this is the priority politicians assign to education, and higher education in particular, in public addresses and state budgets. In one recent national study, More Than Survival, it is pointed out that in messages to the public and the Congress, every president beginning with Eisenhower until 1970 linked the well-being of the nation to the contributions of colleges and universities. Since 1970 the mention of higher education in such addresses has been less frequent.13

There are numerous documented instances at the state level of lowered emphasis being placed upon higher education, and even of direct attacks upon it. Charges of lax budgeting procedures, low productivity, and irrelevant curricula are common. To some extent this may reflect a general trend toward demanding that state institutions become more accountable. The current criticism of higher education, however, may also be a specific reaction to the phenomenal growth of education and, particularly, higher education during the past two decades.

Several statistics illustrate the increasing share of societal resources that have been devoted to educational endeavors. Total expenditures by all

---

13 More Than Survival, op. cit., p. 34.

26
ENROLLMENT ENVIRONMENT

Educational institutions (K-Ph.D.) grew from $24.7 billion in 1959-1960 to $120 billion in 1975-1976, an increase of 386%. Expenditures by institutions of higher education expanded from $6.7 billion in 1959-1960 to $44.9 billion in 1975-1976, an increase of 570%. Another way to view educational expenditures is as a percentage of the Gross National Product. It is estimated that in 1953 expenditures for education at all levels constituted 3.6% of the Gross National Product. By 1974, such expenditures were equal to 7.8% of the GNP.

After such rapid growth, it is not surprising that educational institutions should undergo close scrutiny and criticism. Nor is it unreasonable to believe that it is time to devote national resources to other vital social and economic needs. With other critical public services demanding funds, many officials and legislators are understandably wondering whether some funds currently allocated to education might not be better spent in other areas. At least there is a widespread feeling that education's share must not be allowed to increase further. It is axiomatic that a part may not continue to expand indefinitely at a rate faster than the whole without becoming the whole.

Parental Expectations and Resources
Past studies have shown that family circumstances help to determine whether a potential student will enroll in college. The level of education of the father, the father's occupation, and family income all affect the propensity of high school graduates to continue their education. Historically, children whose fathers had some college training have been much more likely to enroll in college than children whose fathers had only a high school education. A survey of 1956 high school graduates, for instance, showed that 68% of the boys and 60% of the girls whose fathers had some college education enrolled in higher education institutions the following fall. Among children whose fathers had only a high

---

15 Ibid., Table 1.7, p. 180.
16 Reference is made here to the father rather than to both parents because most past studies have, in fact, focused on the father's background. It is to be hoped that future studies will reflect new attitudes toward family structure and the greater participation of women in the work force by providing information about both parents' backgrounds.
school education, the comparable enrollment figures were 36% for boys and 28% for girls.27

The available evidence suggests that the children of college graduates continue to enroll in college at a higher rate than their peers. A national survey of freshmen enrolled on a full-time basis in the fall of 1974 showed that 31.5% of their fathers and 20.2% of their mothers were college graduates.18 Data on the level of education of all parents of children in the same age cohort are not available. However, in March, 1974, college graduates made up only 13.3% of the whole U.S. population aged 25 or older.19

If parents who have attended college expect and desire their own children to obtain a higher education and are prepared to make the sacrifices necessary to provide them with that education, those parental expectations may work in future years to maintain and even increase the percentage of children who go on to college. Because of the rapid expansion of higher education in the recent past, a much larger percentage of future generations of high school graduates will come from families in which the parents are college graduates. As the percentage of children coming from college-educated families goes up, parental expectations for their children may well counteract some of the other social forces tending to lower enrollments.

Family income is another factor which must be taken into consideration, however, in assessing the possible impact on enrollments of the parents' educational background. The higher enrollment rate of children whose fathers attended college undoubtedly reflects both a family expectation that the children ought to attend college and also the usually higher income of college trained persons who can, therefore, more easily pay for their children's education. The impact of the family's socio-economic status on the propensity of children to enroll in higher education was shown in a survey of 1961 high school graduates. Among families ranking in the highest quartile in socio-economic status, 40% of the boys and 44% of the girls enrolled in college during the year following their high school graduation. Among families in the second quartile, only 28% of the sons and 27% of the daughters enrolled during that period.20

18 Digest of Education Statistics, 1975, op. cit., Table 85, p. 84.
19 Ibid., Table 11, p. 14.
20 Harris, op. cit., Table 1.1-17, p. 80.
Despite the expansion in the 1960s of programs to facilitate access to higher education by students from low income families, current evidence shows that the daughters and sons of higher income families remain more likely to enroll in college, particularly on a full-time basis. In the 1974 survey of full-time freshmen, 46.8% reported their parents' income to be $15,000 or more. This percentage may be compared with the results of a survey conducted by the Bureau of the Census in October, 1973, which showed that only 29.5% of families with unmarried dependent children 18-24 years of age had incomes of $15,000 or more. The same survey showed that among the families with college-age children, 53.7% of those with incomes of $15,000 or more had one or more children attending college on a full-time basis. Among families with incomes from $5,000 to $7,499, the comparable figure was 23.7%.

Historically college training has been associated with relatively high levels of income. Consequently the high expectations of college-trained parents for their children's education were reinforced by their ability to pay for that education. In 1973, for instance, the median annual income of male college graduates, aged 45 to 54, was $18,859. Among male high school graduates in the same age group, the median income was $12,083. Among the men in that age group who were the fathers of college-age children, those who were themselves college graduates were clearly more able than the others to bear the financial burden of providing their children with a higher education. If the link between college training and higher-than-average levels of income becomes weaker due to declining economic demand for college-trained people, some of the propensity for the children of college graduates to pursue a higher education may be reduced. If the economy becomes less able to absorb college graduates into relatively high-paying positions, future generations of college trained parents who desire a higher education for their children may be less financially able to fulfill that desire than were college-trained parents in the past. In that event, independent institutions may be particularly disadvantaged if such parents turn to less expensive state institutions to provide higher education for their children.

21 Digest of Education Statistics, 1975, op. cit., Table 85, p. 84.
23 Ibid., Table 12, p. 44.
Supply and Demand

College enrollments are clearly, to some degree, responsive to the job market for college graduates. Just as male enrollments in college declined after the draft was eliminated, there have been detectable shifts in certain categories of enrollments related to employment outlooks. Engineering is a good current example. In 1970 engineering schools were being closed because the market was sated with graduates and enrollments were declining. By 1974 the supply had become so thin major industries were hiring graduates almost indiscriminately because the number of engineering majors in the educational pipeline predicted even smaller output for the late 1970s. Enrollments have since begun to grow and the consequence may well be another oversupply in the 1980s. This in turn will trigger another downturn in enrollments, which may in turn trigger another great demand, and so forth. A similar pattern may be evolving in the area of teacher education.

There appears to be today an oversupply of college graduates in terms of jobs available in the general economy, at least according to the popular press. The Bureau of Labor Statistics predicts between 1972 and 1985 the economy will need about 14.5 million new college graduates; but colleges and universities are expected to supply 15.3 million. However, these statistics are the result of many component projections in which the compounded potential error is great.

Shifts within the job market may well affect the intramural composition of college enrollments. For example, persons who might have intended to become secondary social science teachers may instead become social workers. However, the influence of the job market on the ultimate size of college enrollments is much less clear. There remains reason to believe many persons will continue to perceive a college degree as providing an advantage in competition for most jobs. If that is true, shifts in the job market may well affect the choice of the major more than the decision of whether or not to go to college at all.

Technological Influences

It is widely held that a good liberal arts education will have great vocational marketability over the long run because such training develops basic, general skills needed in many different kinds of professional and managerial endeavors. In contrast, narrowly scoped, career education

---

aimed primarily at job entry skills may not help the individual develop such general competencies. In a society in which people are thought likely to change jobs and careers several times in their working lives, these acclaimed general outcomes of liberal education should stand one in good stead.

This argument is strong when the outcomes of liberal arts education are indeed competencies such as the ability to deal with logical argument and data in terms of their validity, the ability to write clearly and concisely, and the ability to read critically and with discrimination. If, on the other hand, liberal education narrowly prepares one in an abstract academic field without direct vocational implications, and without using that subject matter as a means to develop more general competencies, then it is as or more limited than vocational education narrowly focused on job entry skills.

The move toward capital-intensive means of production has changed dramatically not only the numbers but also the kinds of workers needed. The "technologization" of work has often been assumed to require ever-longer periods of preparation. However, technology often means high specialization of work requiring only training just before or on the job for very specific, narrow skills. For example, unskilled and sometimes illiterate workers in Mexico, Sumatra, and Singapore are fabricating computer chips after only very brief, specialized training.20 This trend obviously raises a question of the adequacy of the educational aim of the "sovereign mind." The probability of developing the general competence to deal across many specializations seems evermore doubtful: doubtful because, as suggested above, the specialities have become so many, so deep, and so subject to rapid change.

**Credentials**

As work has become more specialized and society more mobile, evaluation of individual competence based on direct personal observation has become more difficult. Consequently, objective criteria and portable credentials have become more important in certifying people to be competent in various specialties. Professional associations and trade unions strive to assure quality of performance, and to control entry into their fields. Entry may be controlled through requiring extensive, long years of preparation in schools approved by the association, or it may be con-

---

trolled through the allotment of fixed numbers of apprenticeships with union journeymen.

Ideally such control should insure competence commensurate with responsibilities. Yet in a number of professions and technical specialties, it is now believed credentials are either inflated beyond what is necessary for adequate preformance or even uncorrelated with job performance. Further, by keeping the supply of certified workers low in relation to the demand for them, the credentialing mechanism often appears to serve more the economic self-interest of the association or trade union than the maintenance of high standards of competence and behavior. The role of credentialing in American society is, therefore, a matter of intense political and economic concern.

Credentialing is also a matter of serious import for colleges and universities in general and professional schools in particular. Credentialing requirements dramatically affect college and university enrollments. In periods of economic downturn, professional and trade groups often raise credentials both to limit the size of the profession, and thus not dilute the general level of remuneration, and to build higher and wider the walls that protect the group from non-specialists. Once the economy turns up again, however, the credential requirements are usually not lowered but instead have been "racheted" up, with the effect that they are ever-higher and wider, and more difficult to meet. This racheting phenomenon serves to increase the demand for higher education.

Other trends are on the horizon, however. In the future, credentials increasingly may be used for a limited period of time. By the end of such a period, a certain number of additional credits or competencies in a certain area will have to be earned or demonstrated. This could have a substantial effect on enrollments in professional and technical education.

Undoubtedly other social and economic dynamics in addition to those just mentioned affect the setting and maintenance of credentials. Yet it is probably safe to assume that the rachet effect of inflating credentials will continue if not interrupted by a new social force. One such force that could affect this is a landmark decision from the Supreme Court requiring that all required credentials have a direct, demonstrable relationship to performance on the job. In the *Griggs v. Duke Power Company* decision the court perceived that requiring instrument operators to have high school diplomas and certain test scores was perpetuating *de facto* racial discrimination.27 In the explanation of the court's ruling it

was stated that prerequisites (credentials) such as certain required educational attainment or certain levels of performance on a test should show a demonstrable relationship to job performance. Just as the inflation of credentials is an understandable, perhaps natural, phenomenon, it is also natural that there be a reaction to the inflation—either in the form of popular legislation or judicial mandate. College enrollments will be affected one way or the other by changes in credential requirements.

Lifelong Learning
Nationally, almost half of the college-age population is enrolled in some form of postsecondary education. There are also some indications more part-time, middle-aged and elderly students are coming back to school. As our population ages (which it is definitely doing in terms of its median age) and as a greater proportion of our people retire on pensions, more persons may have the time and perhaps the inclination to pursue studies that have personal, intrinsic value.

Most older students do not pursue their studies in the conventional manner as full-time residential students but rather take one or two courses at a time; and many of them will do so in the evening, after work, or when their spouse is at home to tend to the family. In any case, the market now emerging as potentially the most hotly competed for among institutions, both state and independent, is the adult continuing education market. The as yet unanswered question is how deep the part-time, older student market really is and what type of institution is most able to respond to it. State-supported institutions in major urban areas seem to have the greatest natural advantage due to their locations and low prices.

The difficulties that independent institutions, particularly liberal arts colleges, are likely to have in competing for the adult market were illustrated in a survey conducted by the Commission on Non-Traditional Study which issued its report in 1973. In a national survey of adults who indicated an interest in continuing their education, the Commission found that 43% of them ranked vocational subjects as their first choice. Studies related to hobbies and recreation were second with 13.4% selecting it as a first choice. General education, which included the traditional subjects of a liberal arts curriculum, ranked third and was the first choice of only 12.6% of those surveyed. Adding together all indications of interest in each subject area, the Commission found that 76% were interested in vocational subjects, 63% in hobbies and recreation, 56% in the study of home and family life, 54% in personal development, and 48% in general education. The Commission also found that colleges and
universities ranked relatively low when the respondents were asked where they would like to study. A public two-year college or technical school was chosen by 9.8%, a four-year college by 8.5%, and graduate school by 2.6%. The Commission's report emphasized that traditional degree-credit programs were attractive to only a small portion of adults interested in further education and stressed that colleges and universities would have to make substantial changes in traditional programs if they wished to attract the "would-be learner." 28

Whatever the market is for the part-time, older student, it probably will not be helpful to a college that insists upon the traditional curricula delivered in the traditional way and oriented toward a student body predominantly composed of full-time, 18-24 year-old students.

**Greening or Graying**

Is America becoming more of a youth culture or more of a middle-aged, senior citizen society? Just a few years ago, Reich's *The Greening of America* portrayed America as becoming ever-more youthful. His general thesis was that our advanced technological society continued to extend non-adulthood even to the point of a third stage of youth, which for most people would not be completed until their late twenties or early thirties. Adulthood is in this sense considered that stage in which one becomes an economically self-sufficient contributor rather than a basically passive receiver. The general outlook then was that colleges and universities would have more students for longer periods of time.

One may view an extensive commitment within a society to secondary and postsecondary education as a way of preoccupying people the work force cannot absorb. There has been a gradual, steady shift in production for many decades toward capital-rather than labor-intensive approaches. Along with this industrialization came more education for the young. Boulding has pointed out one of the four basic functions of the schooling industry is custodial care.29

---


More recently Dresch has noted that in some ways our society is now shortening youth, trimming back adolescence. We have lowered the age of majority from 21 to 18. As suggested earlier, high technology in a number of cases is not demanding longer periods of general educational preparation for work but short-term, highly specialized training. Dresch also points out that more rather than fewer young people are in the labor force in the 1970s than in the 1950s. In 1970, more than 50% of the 20-24 year-olds and 40% of the 18-19 year-olds were in the labor force compared to less than 35% of the 18-24 year-olds in the mid-1950s.30

Whatever forces combine to lengthen formal education also lengthen adolescence. Yet young persons could begin to reject the further extension of youth, demanding earlier entry into adult status. That is, young people may not cooperate with the implicit socio-economic agenda of staying in school just to be kept off the labor market. The extent to which young people refuse to further lengthen adolescence because such lengthening is personally and/or socially unpalatable will be a potentially volatile social dynamic which higher education will face in the late 1970s and early 1980s.

Learning for Its Own Sake
Most of the discussion to this point has been on socio-economic motivations to pursue higher education. We live in a culture that is suspicious of explanations of behavior not set forth in terms of needs satisfaction. The assumption is widely held that one cannot or will not pursue the higher needs until more basic physical, economic, and status needs have been met, and there is no doubt that the satisfaction of such needs is an important part of the motivation of many who attend college. On the other hand, it is difficult to classify all college-going behavior as either compelled by the desire to meet such needs or as irrational behavior.

Without debating theories of motivations, for the purposes of this paper it is accepted that some people may pursue formal higher education for altruistic or internally valid reasons without much, if any, regard for the relationship between higher education and economic or social status. While a hierarchy of needs theory would portray this as irrational behavior, some students are clearly concerned with learning for its own sake and some of the motivation of almost all students is surely of this nature.

30 Dresch, op. cit., pp. 7, 8, 18.
Today we live in a culture rich in the opportunities to learn beyond the walls of a campus. The paperback book industry has made an abundance of written material available at moderate cost. The variety and specialization of periodical literature is phenomenal as compared to only a few years ago. While the educational potential of television and radio is far from being fully utilized, documentaries and special programs of high quality are increasingly shown on the commercial networks. Public television and radio are moving slowly yet steadily toward their potential. Universities and colleges, which in other times had an almost complete monopoly on sources of information and access to scholarly minds, are now in competition with a rich diffusion of both information and intellectual discussion and reflection. In fact, in terms of the quality of information—either by standards of its currency or the way in which it is delivered—many college courses pale in contrast to those available through the media and informal associations. This suggests colleges and universities might best compete for involvement in the higher learning of the American people by providing an environment deliberately structured for study and reflection.

**Education for Service**

Probably a significant if indeterminate number of persons still go to college because they believe it will equip them to serve more effectively either their religious faith or their secular ideology. The driving force behind higher education thus goes beyond both humanistic or personal development and economic or social advancement to include the goal of service.

It is hard to envision precisely how this kind of rationale will materially affect enrollment in American liberal arts colleges and comprehensive universities. It is likely that as we continue as a pluralistic and diffuse culture composed of many religious beliefs and ideologies, some colleges will attract students who deliberately and systematically seek to become more effective servants of either their religious or philosophical world views. In this context, it is noted that colleges that clearly serve a particular religious constituency and that put their religious commitment in the forefront of their concerns have continued to grow in a period in which many independent colleges' enrollments were greatly diminished. Colleges that would cater to people who want to realize all the potential that lies within them to serve their God or their world views may have definite and continuing constituencies.
2. Governmental and Economic Aspects of the Environment

Governmental Regulations

There are environmental factors other than those related to population and enrollment trends that affect higher education. One set of such factors are the federal and state governments' information and accountability requirements and regulations. In some cases the regulations, though well intentioned from the perspective of a legislature or agency, hinder institutions in charting their own destinies. Also, the time and effort required to respond to more and more governmental requests adds significantly to the administrative, overhead costs of colleges. Independent sector institutions, already financially strapped, are especially disadvantaged by such requirements. At some point, the question needs to be addressed whether the immediate intended advantages of governmental regulation outweigh the advantages of leaving institutions free to find their own ways in a fluid and diverse society. Whether so or not, a part of higher education's present and probable future environment is the increasing burden of accountability to a variety of governmental agencies.

Three areas of institutional life are being impacted by public policy and regulation: institutional autonomy; bureaucracy and costs; and institutional mission. The problems in each of these areas are discussed below. In addition, questions are raised regarding the legal and administrative basis for government regulation of certain institutions, particularly, those in the independent or private sector. This chapter deals only briefly with these issues as they are to be more fully addressed in a separate National Commission volume on public policy and legal issues.

Institutional Autonomy

The rise of state coordinating agencies has caused a considerable loss of autonomy by state institutions and, in some instances, by independent institutions as well. Some state coordinating agencies are beginning a serious review of programs, resulting in some cases in a diminution of individual programs at the institutional level. In another area, federal policies related to affirmative action have affected the basis and nature of personnel decisions. In addition, all institutions have been impacted
by the need to conform their data-gathering efforts to the often conflicting requirements of governmental regulatory and coordinating agencies.

Costs and Administration
A study undertaken by the American Council on Education showed that federal social programs cost colleges and universities about twice as much in 1975 as they did in 1970. The authors concluded, "Federally mandated social programs have contributed substantially to the instability of costs at colleges and universities from year to year and thus increase their difficulties of financial management and budget balancing." 32

A number of governmental social programs are funded through taxes on employment from which higher education institutions are not exempt. Even though institutions of higher education do benefit from exemptions on property, sales, and income taxes, they are subject to employment taxes providing social security and unemployment benefits. Higher education is a labor-intensive industry and, therefore, changes in these programs significantly affect the financial status of higher education institutions.

Higher education institutions have had to augment their administrative staffs to cope with the increased regulations and monitoring and reporting requirements of both federal and state agencies. Indeed, one of the signs of the times for higher education is the fact that the costs of administration have increased dramatically as compared to the costs of instruction. This increase is due in large part to the additional organization and staff required to handle all of the governmental reporting requirements and the implementation of both regulations and government sponsored programs.

For example, the federal government provides a 3% allowance to an institution for the cost of administering the campus-based student aid programs such as SEOG, work-study, and the National Direct Student Loan program. However, the actual cost of administering all federal loan and grant programs appears to be substantially higher. In order to compensate for these administrative costs, an increase from 3% to 5% or

32 Ibid.
$50 per aided student, whichever is larger, and coverage of BEOG recipients and veterans, has been proposed, but a study from one higher education association indicates it costs an institution approximately 8% of the total sum of federal dollars it distributes to carry out all the necessary administrative tasks related to these programs.\(^{33}\)

Data gathering requirements have increased dramatically. The problems created for institutions result not only from the volume of data required but from lack of certainty about the specific data needed to comply with governmental requirements. For example, there is continuing controversy over the nature of the data which institutions of higher education must gather in order to comply with affirmative action requirements. If an institution has to provide data on each department or school, its data gathering and monitoring requirements, and consequent costs, are substantially increased over those associated with a single institutional summary.

In some cases regulations are prompted not by widespread but limited instances of abuse and violation of policy. An example is the relatively small number of institutions that have abused the guaranteed student loan program. Instead of targeted regulations aimed at the few violating institutions, regulations were developed that encompass all institutions. Such regulations, growing from the offenses of a comparatively few institutions, impose excessive burdens on non-offending institutions.

**Institutional Mission**

For some institutions, mostly those from the independent sector, government regulations can impact their missions, particularly those of a religious nature. It is difficult in our culture for these institutions to argue there is a valid religious basis, for example, for a position on the role of women not consistent with the egalitarian view. Critics suggest this is a way of hiding behind religious beliefs in order to perpetuate some form of discrimination. Clearly in some cases this is not the case. The response of Brigham Young University to the affirmative action regulations dramatizes the issue. It is ironic that Brigham Young University is probably speaking for many institutions which have concerns about the regulations and not just a few which have concerns based on a religious perspective. Few institutions in the country have both the conviction and

the freedom to make the challenge. Very likely, many college presidents are cheering quietly from the sidelines.

**Basis for Public Policy**

One of the serious concerns raised by many institutions, particularly those from the independent sector, relates to the basis on which the government asserts its regulatory power. The recent controversies over affirmative action and Title IX regulations manifest the concern. For some time, it was generally agreed that unless an institution received direct federal support, certain governmental regulations could not be applied to it. However, the government asserts that affirmative action regulations apply to each institution categorized as a "recipient institution." A recipient institution is now defined as one that receives any funds, directly or indirectly, even including student aid. In addition, recent efforts by the Internal Revenue Service to assert that the granting of income tax exemption and the deductibility of contributions is a basis for applying regulations to all institutions of higher education is another manifestation of this extension of government jurisdiction to new premises.

**Legal Environment**

Legal issues are also factors in the external environment which impact independent and church-related institutions. Whether this society is becoming too litigious or not is an open question; however, there is no doubt that certain decisions formerly confined to the internal processes of a higher education institution are now being challenged in the courts. Probably the most important issues in the legal arena relate to personnel decisions and practices. Collective bargaining is another manifestation of this legal involvement. State labor boards or the National Labor Relations Board may increasingly determine personnel practices and affect the structure of the university through decisions about employee-employer relationships.

For independent institutions related to a church, an all-important issue is the constitutionality of tax-funded support. That question is important both to the institutions and to students who wish to attend a church-related college. Although the recent decision in *Roemer* 34 should provide some relief, colleges in a number of states are defending litigation.

---

challenging state programs aimed at reducing the tuition gap between independent and state institutions. If a church-related institution is found to be disqualified from receiving these funds, it is disadvantaged relative not only to the state sector but also to other independent institutions eligible for the funding. Further, challenges to public funding programs involve substantial litigation fees and, more particularly, strain the psychic and personnel resources of the institution. Small colleges are least able to shoulder such costs.

Economic Environment

The total economic environment, near and distant, is no clearer for higher education than it is for any other industry. It is increasingly apparent that the assumptions of the past are of increasingly limited value in anticipating the future. It is now widely held that a limited growth, static, or declining economy is a likely scenario for the future, with significant impact on higher education.

Boulding has suggested that the western world in general, and the United States in particular, has enjoyed constant growth in almost all aspects of life for many generations. The European language community has had a period of steady and constant growth, with only a few setbacks, since the fall of Rome. The growth of the United States has been phenomenal as compared to any other society in any other age. Therefore, we as a people, influenced by Europe and more immediately our own American experience, have adjusted ourselves to growth and find it extremely difficult to conceive, much less emotionally accept, a no-growth economy and its social consequences. It is likely that all of our institutions, including higher education, have survived because they were well adapted to conditions of rapid growth. Yet in a steady-state economy, for every industry that grows, one will decline. In a declining economy, for every industry that grows more than one will decline. In the anticipated slowed growth of the 1980s, Boulding believes that education will likely be the first major industry to decline.35

Boulding’s analysis leads him to some interesting questions for higher education policy makers. Shouldn’t linkages be established with those

economic neighbors of higher education that are expected to expand? Can anything be done to slow or stop the rising age of the faculty given tenure, job immobility, and the resultant tendency not to add to staff—thereby not permitting young persons to enter faculties? How are the most able administrators to be kept in higher education when the more attractive opportunities for them will probably be in expanding sectors of the economy?

Another view of higher education's place in the total economy is provided by Forester. He describes all systems as conforming to the S-shaped life cycle of growth curve unless they operate in systems of infinite resources. He divides the life cycle of growth into four time phases.

First is the period of exponential growth during which growth is uninhibited by proximity to ultimate limits. Second is the transition region lying about halfway up the growth curve, at which point enough resistance to growth is being encountered to move the system out of its growth mode and into an equilibrium-seeking mode. Third is an equilibrium region of no growth with population and economic activity restrained by environmental capacity. Fourth may be a decline phase such as has usually been encountered by nations and institutions.36

Forester asserts that the American socio-economic system is currently in the transition region and observes that it is in this stage that the greatest social and economic disequilibrium forces occur. Many of these forces are now being felt by higher education, some of them described in earlier sections of this paper.

It is apparent that as a sub-system of the total economy, higher education is also in such a transition period. Colleges and universities, in total, have not ceased to grow, but the rate of growth is markedly slowed. The peak of this growth is just ahead, in the early 1980s, and well documented.

**Higher Education's Market Basket**

Colleges and universities are harder hit by inflation than the general consumer. Table 5, which compares several indices of inflation in higher ed-

---

ucation with one for the GNP, displays the economic disadvantage under which colleges and universities labor. Due to the complexity of establishing price indices, the five higher education indices all have somewhat different specific figures. However, all five indices indicate that the prices of goods and services purchased by colleges and universities have been increasing substantially faster than the inflation rate for the economy as a whole.

The Halstead Higher Education Price Index (HEPI) is the one currently used by the federal government. According to that index, it cost the consumer $1.49 in 1973-74 to purchase the same goods and services he bought for $1.00 in 1963-64 while institutions of higher education had to pay $1.76 for items that cost them $1.00 in 1963-64. By 1974-75, the higher education cost had risen to $1.91. Thus, a United Methodist college with a $2.5 million educational and general budget in 1963-64 had to pay $4.8 million for those same goods and services in 1974-75.

The Halstead HEPI is composed of the following categories of goods and services.

1. Faculty salaries and staff benefits.
2. Administrative and other professional salaries.
3. Non-professional salaries and wages.
4. Supplies and materials.
5. Equipment.
6. Utilities.
7. Books and periodicals, printing and binding.
8. Communications.
9. Travel.
10. Other: Includes expenditures for such other items as insurance, interest on debts, legal fees, and special services (truck ing, etc.) performed by agencies outside the institution; also, livestock.

Several studies have shown that typically 80% of the educational and general expenditures of colleges and universities are personnel costs. This points up the labor-intensive nature of colleges and universities. Because labor-intensive industries are particularly sensitive to inflation, it is understandable and even predictable that inflation for colleges and

---

39 Ibid., p. 740.
### TABLE 5. COMPARATIVE INFLATION INDEXES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1963-64</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>1964-65</td>
<td>101.7</td>
<td>104.3</td>
<td>104.8</td>
<td>106.4</td>
<td>103.7</td>
<td>103.2</td>
</tr>
<tr>
<td>1965-66</td>
<td>104.1</td>
<td>109.5</td>
<td>109.5</td>
<td>112.2</td>
<td>108.1</td>
<td>106.8</td>
</tr>
<tr>
<td>1966-67</td>
<td>107.2</td>
<td>115.2</td>
<td>115.2</td>
<td>117.5</td>
<td>113.5</td>
<td>111.4</td>
</tr>
<tr>
<td>1967-68</td>
<td>111.1</td>
<td>122.2</td>
<td>122.1</td>
<td>124.3</td>
<td>119.8</td>
<td>116.7</td>
</tr>
<tr>
<td>1968-69</td>
<td>116.0</td>
<td>130.7</td>
<td>129.9</td>
<td>131.6</td>
<td>127.2</td>
<td>122.5</td>
</tr>
<tr>
<td>1969-70</td>
<td>122.0</td>
<td>139.8</td>
<td>137.7</td>
<td>139.7</td>
<td>136.3</td>
<td>129.2</td>
</tr>
<tr>
<td>1970-71</td>
<td>128.0</td>
<td>148.9</td>
<td>145.5</td>
<td>147.7</td>
<td>144.6</td>
<td>138.4</td>
</tr>
<tr>
<td>1971-72</td>
<td>133.1</td>
<td>156.9</td>
<td>152.1</td>
<td>154.5</td>
<td>151.7</td>
<td>N.A.</td>
</tr>
<tr>
<td>1972-73</td>
<td>139.1</td>
<td>165.0</td>
<td>160.4</td>
<td>161.9</td>
<td>160.1</td>
<td>N.A.</td>
</tr>
<tr>
<td>1973-74</td>
<td>149.4</td>
<td>175.3</td>
<td>175.7</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

4. SOURCE: Unpublished report by the Bureau of Economic Analysis, U.S. Dept. of Commerce (as revised and updated by personal communication, 10-4-74). Deflator for "private higher education" expenditures.
6. SOURCE: National Science Foundation, A Price Index for Deflation of Academic R & D Expenditures, Report NSF 72-310, 1972. (Direct casts only are reflected in this index.)


Universities consistently should run ahead of general economic inflation. Efforts to shift to more capital-intensive approaches in higher education have had mixed results. Yet if productivity increases cannot be somehow effected, higher education must continue to react to inflation by seeking funding growth at rates exceeding general economic growth. As noted in the early sections of this volume, such extraordinary growth cannot likely be maintained.
3. The United Methodist Church as an Aspect of the Environment

Introduction

Population trends and other social factors, the economy, and government laws and regulations comprise only a portion of the external environment of colleges and universities related to The United Methodist Church. Another crucial component of that environment is the church itself. Indeed, a basic premise behind the formation of the National Commission on United Methodist Higher Education was that decisions made by the church can vitally affect the future of church-related institutions.

The role of the church as an important factor in the environment of its schools and colleges is not only a present reality but a historic tradition. From the decision of the 1784 Christmas Conference to found Cokesbury College, the first Methodist college in the new world, through the adoption by the 1976 General Conference of a resolution reaffirming the church's commitment to its colleges and universities, The United Methodist Church has taken an active interest in the schools affiliated with it. That interest has taken many forms, ranging from the establishment of new institutions, to decisions to close or merge institutions that were no longer viable, to disaffiliation of institutions that had ceased to serve the mission of the church in higher education. At the national level, the present mood of The United Methodist Church with respect to its colleges and universities can perhaps best be described as one of continuing concern for the institutions, careful inquiry concerning their status, and reaffirmation of the importance of the church's role in education.

Recent National Actions

Several actions of The United Methodist Church and its agencies in recent years have illustrated the church's continuing deep interest in its institutions. Some of them are discussed below.

40 For a more complete discussion of the historical background of the relationship between the church and its schools, see the National Commission publication, To Give the Key of Knowledge: United Methodists and Education, 1784-1976.
Assistance to Black Colleges

One decision of the 1968 General Conference was to undertake a study of the status of the black colleges related to the church. A special commission was subsequently appointed by the Board of Education to conduct the study and present its recommendations to the 1972 General Conference. After hearing the Commission's report, the 1972 General Conference established the Black College Fund to give extraordinary support to the black colleges affiliated with the church. That fund was allocated an annual apportionment of six million dollars for the quadrennium. The 1972 General Conference also appointed, for the 1972-76 quadrennium, the Continuing Commission on the Black Colleges to carry on the study of those institutions. The special concern of the church for the black colleges was reaffirmed at the 1976 General Conference which voted to maintain both the Continuing Commission and the Black College Fund. About $4.5 million a year had actually been raised for the Black College Fund during the preceding period, and the 1976 General Conference once again voted an annual apportionment of six million dollars for the next quadrennium. In addition, in order to promote the long term well being of the institutions, the report of the Continuing Commission tied future participation in the fund to the fulfillment of specific management guidelines.

National Commission on United Methodist Higher Education

Another major example of the church's commitment to its colleges and of the present mood of inquiry was the 1974 decision of the Board of Higher Education and Ministry to establish the National Commission on United Methodist Higher Education. The Commission was directed to channel its energies into five broad areas of inquiry and analysis: church policies and programs in the area of higher education; the environment of independent and, especially, church-related higher education; the current system of campus ministries; public policies and legal issues affecting church-related and other independent institutions; and the current status and prospects of the colleges and universities related to the United Methodist Church. The establishment of the Commission, which was given two and one-half years to conduct its work, is evidence of the deep interest of the church in the future of the colleges and universities related to it. No other denomination has ever undertaken such a comprehensive study of so many institutions. The Commission's work will provide a basis on which the church can establish carefully developed policies for the nurturing of its institutions and for the prudential use of
church resources to promote the United Methodist mission in higher education.

**Church Purpose Statement**

One aspect of the National Commission's work that has already received general church approval and provided a basis for future church policy is the National Commission's statement on the church's mission in higher education. That statement, *The Mission of The United Methodist Church in Its Institutions of Higher Education*, was adopted as a statement of the whole church by the 1976 General Conference. It reaffirmed the importance of the church's continuing role in higher education and emphasized the theological basis for that role, the unique Wesleyan tradition and heritage in higher education, and the beneficial impact of church-related education on contemporary American society.  

**Other 1976 General Conference Actions**

In addition to adopting the mission statement, the 1976 General Conference adopted a resolution on churchwide support for institutions of higher education calling for special emphasis to be given to the support of colleges and universities during the next quadrennium, adopted a resolution on churchwide support for campus ministries, and requested the Board of Higher Education and Ministry to report to the 1980 General Conference its proposals for church policies and programs responsive to the findings of the National Commission on United Methodist Higher Education. Other 1976 General Conference actions included amending the section on education in the Social Principles Document to call for access by all persons to the post-secondary schools of their choice. In recognition of the importance of ensuring continued access to church-related institutions, the Social Principles Document now states:

> Persons in our society should not be precluded by financial barriers from access to church-related and other independent institutions of higher education. We . . . endorse public policies which ensure access and choice and which do not create unconstitutional entanglements between Church and state.

In other resolutions, the 1976 General Conference adopted a $500,000 a
year apportionment for college scholarships for students of Hispanic, Asian, and Native American background and for research programs related to the needs of those students. It also ended the special support which was given to former Evangelical United Brethren colleges during the two preceding quadrennia while they were developing support from annual conferences and local sources. The World Service Fund allocations of $300,000 a year for Scarritt College and $175,000 for American University were discontinued and replaced by the new Three University-College Fund which allocated $500,000 a year for the support of Scarritt College, American University, and Alaska Methodist University.

The 1976 General Conference also approved the continuation of the Ministerial Education Fund at a level of 2% of annual conference expenditures for ministerial support. The Fund was established by the 1968 General Conference and began to receive and distribute money in 1970. One-fourth of the amount raised by the MEF remains in the annual conferences for scholarships and continuing education of pastors, and the remainder is allocated to the 13 United Methodist seminaries. In 1970, $3.6 million from the Ministerial Education Fund was contributed to the seminaries. The amount rose each year, and by 1975 the seminaries were receiving $5.9 million, an increase of 64% over 1970. It is anticipated that the seminaries will receive as much as eight million dollars a year during the next quadrennium. It should be noted that The United Methodist Church is unusual in providing such a high level of national support for its seminaries.

New Directions

Although annual conferences bear the primary responsibility for church financing of individual institutions, the Board of Higher Education and Ministry provides a variety of services, primarily on an ad hoc basis, to institutions seeking assistance. If the colleges and universities associated with the church show sufficient interest, there may be other services which the Board or other central church agencies could develop in the future to assist the institutions. Some possible services might include: special support services from regional or national consortia of United Methodist institutions such as common book purchasing and processing, payroll systems, and instructional media development; special legal services and a legal defense fund for certain kinds of common legal concerns; a cooperative cash pool from which institutions could draw to handle cash flow problems; assistance in developing institutional management
and planning strategies; and a variety of other possibilities. Whether special services such as these will be developed will depend on many things, including indication of interest on the part of the institutions, evidence that such services would really assist the institutions, and sufficient financial support either from the church or the institutions to pay for the services.

Financial Support

The United Methodist Church provides financial support for higher education in two basic ways—by providing direct support to United Methodist-related colleges and universities by giving loans and scholarships to United Methodist students. The following analysis focuses on support of institutions, but it is important to recognize the substantial church resources that support scholarships and loans. The loans and scholarships are administered by the Office of Loans and Scholarships of the Board of Higher Education and Ministry. Scholarships are awarded to United Methodist students at United Methodist institutions. Loans are made to United Methodist students at any institution. In 1975-76, 984 scholarships with a total value of over $495,000 and 1,970 loans totaling $1.4 million were distributed. Thus a total of almost two million dollars in loans and scholarships was provided to United Methodist students by the church in 1975-76. It is anticipated that the funding of loans and scholarships will grow substantially during the present quadrennium, increasing by 100 percent or more.

Although the funding of loans and scholarships is a significant aspect of the church's total role in higher education, most church funds for higher education are directed towards the colleges and universities affiliated with the church. Church funds do not constitute a large percentage of the income of most institutions, but the amount provided by the church may make the difference between a balanced budget and a deficit or between the maintenance of educational quality and undesirable cutbacks forced by financial difficulties. Therefore, when viewing the church as an aspect of the environment of the institutions, it is important to review the patterns and trends in church financial support.

Such a review must be informed, however, by an understanding of the decentralized nature of the relationship between the institutions and the church. Actions at the national level are important in determining the nature and extent of the United Methodist role in higher education, and
the formal affiliation of an institution occurs at that level through the University Senate and the Board of Higher Education and Ministry. However, most United Methodist institutions have their closest ties with and receive their greatest financial support from annual conferences and local churches. This pattern reflects the decentralized nature of the church itself and accounts for much of the variation that is found in church funding of United Methodist colleges and universities.

Figure 5 shows the amount of money contributed by agencies of The United Methodist Church to United Methodist colleges and universities from fiscal year 1969-70 through 1974-75. In order to show the total church financial effort on behalf of its institutions, gifts from all church agencies are shown. However, with the exception of the black colleges, which receive monies from the Black College Fund, and a few special institutions such as Scarritt College and American University that also receive funds allocated by the General Conference, most church funds for United Methodist-related institutions are appropriated by annual conferences. Some institutions also receive contributions from local churches or specially endowed funds of the Board of Higher Education and Ministry.

Figure 5 shows that total church gifts to all United Methodist-related colleges and universities rose from 12.5 million dollars in 1969-70 to 17.9 million in 1974-75, an increase of 43%. Further inspection of the figure shows, however, that the growth in support varied greatly in various segments of the United Methodist system. The greatest increase in support was found in funds allocated to the black colleges. Those institutions received $2 million in 1969-70 and $5.2 million in 1974-75, an increase of 160%. Church gifts to the universities increased by 33% during the same period while those to all other institutions increased by 19%. The impact of the Black College Fund on church support for the 12 black institutions is clear.

The data on church funds given to colleges and universities are approximate. The data were obtained from the institutions, but in a few cases it appears that church contributions were not separately recorded and are included in a more general gift category along with funds from other sources. The number of institutions in which this occurred is small, however, and the overall patterns and trends would not be greatly changed by the minor corrections involved. In addition, Green Mountain College and Lawrence University are not participating in the National Commission study, and data for them are consequently not included. The National Commission is planning a more detailed study of church funding of higher education which will attempt to refine the data supplied here.
An analysis of church contributions that focuses on the total number of dollars does not adequately show the relative importance of church gifts to institutions of various types. Another way to view church contributions is in terms of their size relative to the total educational and general income of the institutions.

Figure 6 shows church gifts as a percentage of the educational and general income of each group of institutions. Although United Methodist contributions to the institutions increased by 43% during this period, the amount of educational and general income accounted for by church contributions dropped from 2.9% in 1969-70 to 2.5% in 1974-75. This overall figure of course masks substantial differences among individual institutions, both in the relative importance of church contributions and in recent trends.
Despite the fact that the dollar amount contributed to the universities was substantial, their educational and general income was so large that church gifts constituted only a tiny percentage of it, 0.9% in 1969-70 dropping to 0.7% in 1970-71 and remaining at just about that level in the four succeeding years. Church contributions constitute a considerably larger portion of the income of other United Methodist-related institutions. Among the non-black institutions, church gifts equaled 5.0% of their educational and general income in 1969-70 and 4.2% in 1974-75. The sharpest decrease occurred between 1969-70 and 1971-72, followed by a slow, continuing decline through 1974-75.

Trends among the black colleges were different. While church support

---

44 Even these figures are somewhat misleading since some of the funds contributed to universities go to the four theological schools associated with universities. Therefore, the contributions of the church to the general support of these institutions is even less than it appears in Figure 6.
for other institutions, measured as a percent of their educational and general income, declined, it increased among the black institutions, rising from 10.8% in 1969-70 to 13.6% in 1974-75. The Black College Fund of course accounts for this difference. From 1969-70 through 1972-73 black institutions, like others, experienced a decline in a relative proportion of their income accounted for by church contributions. This trend was reversed beginning in 1973-74, when the Black College Fund brought about an increase in church giving.

This review of the recent history of The United Methodist Church's financial support for its colleges and universities suggests that if the church decides to give high priority to the support of a set of institutions, it is able to raise the funds to support that commitment. The prime example of this capability is found in the pattern of church support for the seminaries and black colleges. Although there are obviously upper limits on the amount of money the church can be expected to allocate to higher education—given the many other claims on church support—past experience does suggest that a major variable in determining future levels of church support will simply be the level of commitment the church feels towards its colleges and universities.

An important factor to take into account with respect to such a commitment are differences among the annual conferences. Although a detailed analysis of annual conference support for higher education has not yet been completed, it is clear that there are many variations among them. Some have decreased their support for higher education while others have maintained and even increased their support. Thus, except for a relatively small number of institutions that depend primarily on central church agencies for their funds, each institution must analyze the attitudes and policies of the annual conference or conferences that support it and the history of its own specific relationship with those conferences. Levels of support for individual institutions vary greatly, particularly among the non-black junior and senior colleges. For instance, among 84 such institutions for which 1974-75 data were available, 42 received less than 5% of their educational and general income from the church; 24 received from 5-10%; and 18 received more than 10%. For one college, church funds amounted to 0.2% of educational and general income, and for another, 19.3%. Thus, although general church trends can be expected to have some effect on individual institutions, most institutions will need to look to their respective annual conferences if they wish to estimate and influence the future level of church funding.
Church Membership

Finally, one cannot discuss the church as an aspect of the environment of church-related institutions without considering the future of the church itself. The resources which the church has available for all of its endeavors, including higher education, ultimately must come from individual church members. Thus trends in church membership will probably affect levels of church contributions to colleges and universities. A report to the 1976 General Conference on membership trends was somewhat discouraging in this respect. It showed that church membership dropped in each of the last two quadrennia. Church membership peaked in 1964, before the union of The Evangelical United Brethren Church and The Methodist Church, when the combined full membership was 11,054,634. By December 1974, there had been net loss of a little over 1,000,000 members with membership down to 9,957,710.45 If this decline in membership should continue, the prospects for the church and its colleges and universities cannot be good. On the other hand, if the steps recommended to the 1976 General Conference for increasing church membership prove to be successful, the outlook for United Methodist colleges and universities may well be substantially improved, not only in terms of potential funding, but in terms of increasing the number of Methodist young people who may become a primary source of enrollments for many institutions.

4. Commanding the Future

The purpose of this volume was to review the major factors in the external environment which will help to shape the future of independent higher education in the United States. With reasonable safety, it may be asserted that if higher education continues to deal only with the primary clienteles it has served for the last two decades, its enrollments will no more than hold their own in the 1980s and may very well drop precipitously. Steady-state or declining enrollments will present awesome problems for administrators faced with totally new sets of problems not before encountered.

Brief reviews of economic and governmental/legal difficulties add frustration to concern about enrollment levels. Basically, higher education as a labor-intensive industry suffers more from inflation than do other industries. Further, colleges and universities are increasingly being forced by governmental regulation to either break new social-norm ground or to keep pace with current views at tremendous cost. Such costs are generally non-productive from the point of view of the primary purpose of the institution, education.

While a gray picture for higher education in general is painted in this paper, the picture is darker still for independent and especially United Methodist institutions—particularly in terms of enrollment outlook. Enrollments in United Methodist-related institutions, as a group, have not kept pace with independent sector enrollments, much less the increases in 18-24 year-old population. If past trends continue, the decline in the size of the 18-24 year-old population in the 1980s will be a bad omen for higher education and worse still for United Methodist higher education.

For the future of higher education in this country, the external factors of government regulation, government social policy and legal decisions will be significant—particularly for the small colleges least able to bear the costs and administrative burdens of either challenging regulations or implementing them. State institutions tend to have the resources to implement regulations and available support staff from other state agencies to undertake judicial challenges and defenses. Independent institutions, on the other hand, may well have to search for additional resources to cope with the environmental factors of government regulation, social policy,
and legal decisions. For some institutions, particularly those surviving on limited resources and small administrations, these external factors may weigh heavily in the survival equation and greatly influence their ability to cope with the "natural" factors described earlier.

Further, most of the real potential for cooperation between the state and independent sectors of higher education are opportunities already lost and not reclaimable due to the size of the public systems already in place and their constituent power. As the financial pressures in higher education grow, state institutions may be expected to exercise that power by mobilizing against public policies and funding programs that would remove the competitive advantage currently enjoyed by state institutions. That advantage results from the tax subsidies in the state sector that create a growing price differential between state and independent higher education.

No prescription of institutional actions can be made which will insure institutional success in the face of the difficulties and opportunities outlined in this volume. Nevertheless, it is possible to describe in general terms some characteristics which successful institutions will embody. Such institutions will have developed institutional slack that will both allow them to absorb some considerable measure of short-term revenue shortfall and will also permit the flexibility to respond positively to new opportunities that may arise. Successful institutions will also likely have clearly defined purposes and goals which are widely shared among the several institutional constituencies and components. Thirdly, such institutions will consciously search for new opportunities for service which are not being met. In choosing among possible new services it might offer, an institution will be careful to align its services with both its purposes and demand. Finally, successful institutions will likely be those that carefully and continuously review their own operations in order to select their most effective programs and staff for continuance and expansion. This concern for the internal processes of the institution must focus on questions of quality and efficiency and is essential for any process of institutional self-renewal.

Those institutions which can make a unique claim for their institutional purpose will likely find a market. Those institutions which can abandon traditional views of institutional autonomy and join together with others to share resources in creative ways may cope with their economic and demographic environment. New models are possible. United Methodist institutions may yet discover the opportunities for independent church-
related higher education that do exist within the environment described, despite all of its negative characteristics. Independent and church-related institutions must not just sit back and let the future happen to them; they must seize it and shape it. We must command the future if independent, church-related, and United Methodist higher education are to continue to serve the vital social functions and church purposes which they have traditionally pursued.
## APPENDIX

### TABLE A.1. 18-24 YEAR-OLD POPULATION & TOTAL DEGREE CREDIT ENROLLMENTS, BY SECTORS, 1960-1990.

<table>
<thead>
<tr>
<th>Year</th>
<th>18-24 Population</th>
<th>Higher Education Enrollments</th>
<th>State Independent Enrollments</th>
<th>United Methodist Enrollments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>16,128,000</td>
<td>3,582,726</td>
<td>2,115,893</td>
<td>1,466,833</td>
</tr>
<tr>
<td>1961</td>
<td>17,004,000</td>
<td>3,660,643</td>
<td>2,328,912</td>
<td>1,531,731</td>
</tr>
<tr>
<td>1962</td>
<td>17,688,000</td>
<td>4,174,936</td>
<td>2,573,720</td>
<td>1,601,216</td>
</tr>
<tr>
<td>1963</td>
<td>18,268,000</td>
<td>4,494,626</td>
<td>2,846,454</td>
<td>1,646,172</td>
</tr>
<tr>
<td>1964</td>
<td>18,783,000</td>
<td>4,950,173</td>
<td>3,179,527</td>
<td>1,770,646</td>
</tr>
<tr>
<td>1965</td>
<td>20,293,000</td>
<td>5,526,325</td>
<td>3,624,442</td>
<td>1,901,883</td>
</tr>
<tr>
<td>1966</td>
<td>21,376,000</td>
<td>5,928,000</td>
<td>3,940,000</td>
<td>1,988,000</td>
</tr>
<tr>
<td>1967</td>
<td>22,327,000</td>
<td>6,392,000</td>
<td>4,349,000</td>
<td>2,043,000</td>
</tr>
<tr>
<td>1968</td>
<td>22,863,000</td>
<td>6,928,115</td>
<td>4,861,743</td>
<td>2,038,372</td>
</tr>
<tr>
<td>1969</td>
<td>23,723,000</td>
<td>7,484,073</td>
<td>5,414,934</td>
<td>2,069,139</td>
</tr>
<tr>
<td>1970</td>
<td>24,683,000</td>
<td>7,920,149</td>
<td>5,800,089</td>
<td>2,120,060</td>
</tr>
<tr>
<td>1971</td>
<td>25,776,000</td>
<td>8,116,103</td>
<td>6,013,934</td>
<td>2,102,169</td>
</tr>
<tr>
<td>1972</td>
<td>25,901,000</td>
<td>8,265,057</td>
<td>6,158,929</td>
<td>2,106,128</td>
</tr>
<tr>
<td>1973</td>
<td>26,381,000</td>
<td>8,518,150</td>
<td>6,368,619</td>
<td>2,129,531</td>
</tr>
<tr>
<td>1974</td>
<td>26,908,000</td>
<td>9,023,446</td>
<td>6,838,324</td>
<td>2,185,122</td>
</tr>
<tr>
<td>1975</td>
<td>27,597,000</td>
<td>9,731,431*</td>
<td>7,425,772*</td>
<td>2,305,659*</td>
</tr>
<tr>
<td>1976</td>
<td>28,161,000</td>
<td>9,585,000**</td>
<td>7,361,000**</td>
<td>2,224,000**</td>
</tr>
<tr>
<td>1977</td>
<td>28,616,000</td>
<td>9,805,000**</td>
<td>7,570,000**</td>
<td>2,235,000**</td>
</tr>
<tr>
<td>1978</td>
<td>28,567,000</td>
<td>9,978,000**</td>
<td>7,742,000**</td>
<td>2,236,000**</td>
</tr>
<tr>
<td>1979</td>
<td>29,282,000</td>
<td>10,091,000**</td>
<td>7,864,000**</td>
<td>2,227,000**</td>
</tr>
<tr>
<td>1980</td>
<td>29,441,000</td>
<td>10,173,000**</td>
<td>7,963,000**</td>
<td>2,210,000**</td>
</tr>
<tr>
<td>1981</td>
<td>29,488,000</td>
<td>10,203,000**</td>
<td>8,017,000**</td>
<td>2,186,000**</td>
</tr>
<tr>
<td>1982</td>
<td>29,332,000</td>
<td>10,186,000**</td>
<td>8,030,000**</td>
<td>2,158,000**</td>
</tr>
<tr>
<td>1983</td>
<td>28,998,000</td>
<td>10,030,000**</td>
<td>7,932,000**</td>
<td>2,098,000**</td>
</tr>
<tr>
<td>1984</td>
<td>28,458,000</td>
<td>9,811,000**</td>
<td>7,780,000**</td>
<td>2,031,000**</td>
</tr>
<tr>
<td>1985</td>
<td>27,834,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1986</td>
<td>27,069,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1987</td>
<td>26,435,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1988</td>
<td>25,960,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>25,621,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>25,162,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


** 1976-84—Projections of Educational Statistics to 1984-85, National Center for Education Statistics, U.S. Government Printing Office, Washington, D.C., 1976, Table 6, p. 22. These projections were based on historic enrollment levels through 1974 and, therefore, project a 1976 enrollment level below that actually achieved in 1975. Newer projections that include the 1975 figures in their base will be higher but have not yet been computed by the National Center for Education Statistics.

These enrollment figures are for the total number of persons enrolled in degree credit programs.

3 1960-75—Equated full-time enrollment in United Methodist colleges and universities as reported to the National Commission on United Methodist Higher Education. Included are all colleges and universities affiliated with The United Methodist Church as of fall, 1975, with the exception of Lawrence University and Green Mountain College, which are not participating in the National Commission study.

Included in the enrollment figures for 1960-67 are the enrollments of seven institutions that were not, at that time, affiliated with The United Methodist Church. Their affiliation during that period was with the Evangelical United Brethren, and they became United Methodist-related at the time of the union between the EUB and The Methodist Church. Enrollments for the years before they became United Methodist-affiliated were added to the Methodist enrollments in order to maintain a constant data base for longitudinal analysis. The seven institutions in this group are: Albright College, Indiana Central University, Lebanon Valley College, North Central College, Oberlin College, Westmar College, and Shenandoah College and Conservatory of Music.

Two United Methodist institutions were established after 1960: Hawaii Loa College and Virginia Wesleyan College. Enrollments for Virginia Wesleyan College are reported beginning in 1966 and for Hawaii Loa College beginning in 1967.

Westmar College was unable to provide enrollment data for the years 1960 through 1963. Therefore their enrollments are included beginning with 1964.
<table>
<thead>
<tr>
<th>Year</th>
<th>Universities</th>
<th>Senior Colleges</th>
<th>Junior Colleges</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>52,648</td>
<td>66,415</td>
<td>6,272</td>
<td>125,335</td>
</tr>
<tr>
<td>1961</td>
<td>53,807</td>
<td>69,905</td>
<td>7,293</td>
<td>131,005</td>
</tr>
<tr>
<td>1962</td>
<td>56,765</td>
<td>72,795</td>
<td>7,679</td>
<td>137,240</td>
</tr>
<tr>
<td>1963</td>
<td>56,562</td>
<td>74,511</td>
<td>7,928</td>
<td>139,101</td>
</tr>
<tr>
<td>1964</td>
<td>61,053</td>
<td>79,603</td>
<td>8,982</td>
<td>149,638</td>
</tr>
<tr>
<td>1965</td>
<td>64,903</td>
<td>85,617</td>
<td>10,183</td>
<td>160,703</td>
</tr>
<tr>
<td>1966</td>
<td>69,860</td>
<td>88,954</td>
<td>10,399</td>
<td>159,213</td>
</tr>
<tr>
<td>1967</td>
<td>71,800</td>
<td>91,749</td>
<td>10,113</td>
<td>173,662</td>
</tr>
<tr>
<td>1968</td>
<td>72,494</td>
<td>91,632</td>
<td>10,260</td>
<td>174,406</td>
</tr>
<tr>
<td>1969</td>
<td>72,523</td>
<td>89,769</td>
<td>10,077</td>
<td>172,369</td>
</tr>
<tr>
<td>1970</td>
<td>75,425</td>
<td>91,003</td>
<td>10,209</td>
<td>176,637</td>
</tr>
<tr>
<td>1971</td>
<td>74,033</td>
<td>92,223</td>
<td>9,719</td>
<td>175,975</td>
</tr>
<tr>
<td>1972</td>
<td>75,020</td>
<td>90,207</td>
<td>9,279</td>
<td>174,506</td>
</tr>
<tr>
<td>1973</td>
<td>75,418</td>
<td>90,076</td>
<td>9,094</td>
<td>174,590</td>
</tr>
<tr>
<td>1974</td>
<td>75,868</td>
<td>89,805</td>
<td>8,740</td>
<td>174,413</td>
</tr>
<tr>
<td>1975</td>
<td>75,532</td>
<td>91,350</td>
<td>9,642</td>
<td>176,524</td>
</tr>
</tbody>
</table>

* See footnote 3, Table A.1.
BIBLIOGRAPHY


the Hawaii
II Loa College
North Carolina
!shore College
ley, Vermont
dnd, Florida
y University
y, Virginia
y and Henry College
y, Virginia
y University
z, Georgia
n College
in, Virginia
s Southern College
and, Florida
Mountain College
ey, Vermont
boro College
boro, North Carolina
iversity
i, Minnesota
Lee College
, Hawaii
Hendrix College
Conway, Arkansas
High Point College
High Point, North Carolina
H (*(d College
(*)d skate, Tennessee
Huntingdon College
Montgomery, Alabama
Huston-Tillotson College
Austin, Texas
Illinois Wesleyan University
Bloomington, Illinois
Indiana Central University
Indiana, Indiana
Iowa Wesleyan College
Mount Pleasant, Iowa
Kansas Wesleyan
Salina, Kansas
Kendall College
Evaston, Illinois
Kentucky Wesleyan College
Owensboro, Kentucky
LaGrange College
LaGrange, Georgia
Lambuth College
Jackson, Tennessee
Lawrence University
Appleton, Wisconsin
Lebanon Valley College
Annville, Pennsylvania
Lindsay Wilson College
Columbia, Kentucky
Loa Morris College
Jacksonville, Texas
Louisburg College
Louisburg, North Carolina
Lycoming College
Williamsport, Pennsylvania
MacMurray College
Jacksonville, Illinois
Martin College
Pulaski, Tennessee
McKendree College
Abilene, Texas
Me... Medical College
Nashville, Tennessee
Methodist College
Fayetteville, North Carolina
Millsaps College
Jackson, Mississippi
Morningstar College
Sioux City, Iowa
Morristown College
Morristown, Tennessee
Mount Union College
 Alliance, Ohio
Northern Illinois University
DeKalb, Illinois
Ohio Northern University
Ada, Ohio
Ohio Wesleyan University
Delaware, Ohio
Ohio State University
Columbus, Ohio
Ohio Wesleyan University
Newark, Ohio
Otterbein College
Westerville, Ohio
Oxford College of Emory
Atlanta, Georgia
Oxford College
Augusta, Georgia
Pfeiffer College
Morganton, North Carolina
Philander Smith College
Little Rock, Arkansas
Randolph-Macon College
Ashland, Virginia
Randolph-Macon Woman's College
Lynchburg, Virginia
Reinhardt College
Waleska, Georgia
Rocky Mountain College
Billings, Montana
Rust College
Holly Springs, Mississippi
Scuffert College
Nashville, Tennessee
Sheppard College
Knox, Tennessee
Shenandoah College
Chesapeake, Virginia
Simon's College
Chambersburg, Pennsylvania
Southwestern College
Wichita, Kansas
Southern Methodist University
Dallas, Texas
Southwestern College
Springfield, Missouri
Southwestern University
Georgetown, Texas
Spartanburg Methodist College
Spartanburg, South Carolina
Sue Bennett College
Lexington, Kentucky
Syracuse University
Syracuse, New York
Tennessee Wesleyan College
Athens, Tennessee
Texas Wesleyan College
Fort Worth, Texas
Union College
Barbourville, Kentucky
University of Denver
Denver, Colorado
University of Evansville
Evansville, Indiana
University of Puget Sound
Tacoma, Washington
University of the Pacific
Stockton, California
Virginia Wesleyan College
Norfolk, Virginia
Wesleyan College
Macom, Georgia
Wesley College
Dover, Delaware
West Virginia Wesleyan College
Buckhannon, West Virginia
Westmar College
LeMars, Iowa
Western Carolina University
Abingdon, Virginia
William and Mary
Williams College
Williamston, North Carolina
William Peace College
Angier, North Carolina
Wofford College
Wade Hampton, South Carolina
Wyoming Seminary
Kingston, Pennsylvania

UNITED METHODIST SCHOOLS
an College
Mattoon, Illinois
Young Harris College
Young Harris, Georgia
n College
young Harris, Georgia

UNITED METHODIST ELEMENTARY
Boyle-VanWert-Madera Academy
Camden, South Carolina
Harwood School
Albuquerque, New Mexico
Holding Institute
Laredo, Texas
nl College
Ingram, Texas

UNITED METHODIST SEMINARIES
AND SCHOOLS OF THEOLOGY
Boston University School of Theology
Boston, Massachusetts
Candler School of Theology
Atlanta, Georgia
Drew University, Theological School
Madison, New Jersey
Duke University, The Divinity School
Durham, North Carolina
Gammon Theological Seminary
Atlanta, Georgia
Garrett Evangelical Theological School
Evaston, Illinois
W School of Theology
Denver, Colorado
Methodist Theological School of Ohio
Delaware, Ohio
Perkins School of Theology
Dallas, Texas
Southern Methodist University
Dallas, Texas
Saint Paul School of Theology
Kansas City, Missouri
School of Theology at Claremont
Claremont, California
United Theological Seminary
Dayton, Ohio
Wesley Theological Seminary
Washington, D.C.