An agenda for the future of higher education that is especially appropriate for state- and institutional-level action is presented. One initiative that is important to the future of the country that can also be promoted at the federal level is improvement of the research capacity of U.S. universities. The following views are presented: the most important actions in American higher education are going to come from the states; states that have not already done so should take a careful look at their funding formulas for higher education; the quality of governance of higher education is deteriorating; teacher education needs to be vastly improved; the quality of higher education generally needs more attention; raising the rate of high school graduation should be a number one priority; attention should be directed to advancing education and opportunities for women and minorities, particularly minorities; liberal education is necessary to students, as individuals who are being prepared to live their lives in totality and not just to make a living; and private liberal arts colleges deserve to be preserved. Projections concerning research universities in the Southern Regional Education Board region are included. The wisdom of funding formulas that are based on enrollment is also questioned. (SW)
AGENDA FOR HIGHER EDUCATION: RETROSPECT AND PROSPECT

Clark Kerr
My topic today is Agenda for Higher Education: Retrospect and Prospect. I should like to look ahead a bit because the Southern Regional Education Board (SREB) has always been a future-oriented organization. I also want to look back a bit because the accomplishments of American higher education in the recent decades have really been quite remarkable and should encourage us to look ahead.

The period 20 or 25 years ago and the period 20 or 25 years hence have some things in common. Both beginning periods of these two spans of years were and are times with a very great deal of fear and consternation within American higher education about the future.

In the 1960s, we were fearing the tidal wave of students that was coming upon us. It was looked upon, particularly by faculty members, as a horde of barbarians about to descend on our campuses. We were being called upon in the course of two decades to triple the growth of American higher education that had taken place over the prior three centuries. People were fearful, and the standard phrase was “more is worse.” Our faculties would be overwhelmed; and standards would be going down.

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As it turned out, we faced more than the tidal wave of students. The fear of the early Sixties could have turned to panic had we known all that we really did face. We had the largest series of student revolts in American history. We faced the crises following the OPEC rises in oil prices. And then we faced the greatest depression the United States has seen since the great depression of the 1930s.

We came out of that period with the best system of higher education the world has ever had. In fact, a miracle was performed. We tripled quantity and improved quality at the same time. The scores in the Graduate Record Examinations, the entrance examinations for law school, medical school, business school, went up during that period of time and remained virtually the same from field to field and year to year. At the same time, year after year after year the test scores of high school students in verbal and mathematical abilities were going down. This means the “value added” by higher education was going up as we tripled our numbers. That is a real miracle.

During that period of time we did some things of historic importance. We moved from mass attendance in higher education to universal access—every young person in the United States with a high school diploma or otherwise qualified would have a place in college. This is a very major step in history; we are the first nation in the world to do that.

We spread over the whole United States a comprehensive system of community colleges.

We expanded the facilities for training medical personnel to take care of the greater needs of a growing and aging population. We raised the output of our medical schools from 9,000 doctors a year to 16,000.

At the beginning of that period, many people thought that the historically black colleges would absolutely disappear in the new circumstances. They were preserved.

We undertook the introduction of members of minority groups and women into higher education as never before. We have made more progress with women, doubling the pool of talent in the United States almost overnight. Unfortunately, we have made less progress for minorities; that is still a great problem for this nation.

Despite the problems we faced, we made some historic steps. I think we should remember that.

Today we fear something else. We fear demographic depression—the first one the United States has ever seen, and a very major one. The number of traditional college-age students is going down by something over 20 percent in the next 10 years, varying enormously from state to state, from one part of a state to another, and from one type of institution to another. We have never gone through that before; it is producing a lot of fear and consternation. The demographic depression means hiring fewer new faculty, slower promotion for faculty members, and conflicts on campus for money—department versus department, school versus school.

Howard Bowen and Jack Schuster have just published a study called American Professors: A National Resource Imperiled, with subheads that include: “The Faculty Dispirited,” “The Faculty Fragmented,” “The Faculty Devalued.” They write of the American professoriate in its entirety as being endangered. This gives me some pause because, as some of you will know, all through the problems of the Sixties and the Seventies, Howard Bowen was one of the optimists about the future of American higher education. He and I used to say to each other that we were the last two optimists left. With this study, I take it there is only one.
Again we are fearing the future, but we have the same goals that we had in the earlier period—to maintain and, if possible, to improve the American system of higher education, to overcome and surpass any challenges along the way. The question before us now is: Can these goals once again be met?

I would like to turn to an agenda for the future—ways in which higher education may not be imperiled but, actually, may be of more value to the nation 20 to 25 years from now than it is today. I would like to suggest some items for your consideration, and to note in advance that while in the past most of the agenda items were to be accomplished by the federal government, now more of the agenda items are to be accomplished by the states and by the institutions.

...the situation in which the nation and our geographical regions find themselves calls for the heavy spotlight to be on research universities as holding more of the future of the United States in what they do than is true of other categories of institutions of higher education.

We are in a very great period of change. The initiative is going back to the states. This is partly because the federal government has run out of money and is also partly because the federal government may have about reached the limits of what it should do with reference to American higher education.

The federal government has done some extremely important things for higher education, such as helping to bring about universal access and expanding the output of doctors and other health care personnel. In the 1960s, American higher education had agreed unanimously that the federal government should give lump sum contracts to the nation’s 3,300 colleges and universities once a year. The Carnegie Commission, which I chaired, was the one group in higher education that opposed that, and we were accused of treason. We felt that once the federal government gave lump sum grants to institutions it would increasingly take them away. This is partly because the federal government may have about reached the limits of what it should do with reference to American higher education.

Productivity growth (per man hour) in the United States has fallen from three percent a year during the period from 1945 to 1965 to two percent from 1965 to 1975, and to one percent from 1975 to 1985, with some years at zero. For 10 years this productivity increase has been the lowest in the entire industrial world and now stands at one-half that of the United Kingdom, a nation we used to consider the experts on low productivity growth. This is the most important single, long-run weakness of the American economy. Low levels of R & D through universities is one source of this dismal record, and I think the logic of the times is to raise support for research in our universities.

When we look back about a century to 1890, the standard of living and the output per man hour in the United Kingdom and the United States were the same—this country had risen to the British level. Since then, until recently, we have doubled Britain’s output per man hour and thus doubled the standard of living in the United States. In 1890, the United Kingdom ran the world; in the 1980s, we still do.

Productivity is terribly important, not only to what happens to the citizens of a nation in terms of their standard of living and what they can afford in the way of education and many other things, but also to the international standing of the nation itself.

"In the last 25 years, only one of the 10 universities added to the list [of 20 chief research universities in 1960] was in the South... In the future 25-year period, I think chances are that half of the additional institutions will be in the SREB region."

The states also have an interest in building the strength of their research universities. I am going to get into some speculation which particularly affects states in the SREB region. There are now about 800 colleges and universities that receive federal research and development money, but the chief research universities are those that supply 50 percent of all the research effort for the nation. In 1960, this group numbered 20 institutions. Today these major centers for research number 30—10 institutions were added in the last 25 years. I estimate that about 20 American universities have a good chance of raising their research capabilities substantially over the next 25 years, given the necessary state support and good institutional leadership and assuming that the federal government will do something along the lines suggested in the Packard report. Half of those 20 institutions are located in the SREB region.

Of those 20 universities, probably half will make that list, which means that, as in the past 25 years, another 10 institu-
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education.
It is not only the United States that is going to be increas-
ingly dependent on its research universities. Other coun-
tries—Germany, the United Kingdom, and Japan
particularly are beginning to move quite rapidly in the direc-
tion of scientific research. A friend of mine in Japan recently
sent me a compilation of the sources around the world of ar-
ticles written on chemical research. The list was lead by four
Japanese universities. number five was the University of
California at Berkeley, and number six was also a Japanese
university. Of the top 20, the United States did well, but not
in the top ranks.

The most important actions in American higher
education are going to come from the states. The states
have the responsibility for bridging the gap of the
demographic depression over the next 10 years. They have
the responsibility of preserving the great institutional struc-
ture which we have been building for almost 350 years.

States that have not already done so should take a
very careful look at their funding formulas for higher
education. The formulas that advanced the funds for higher
education on an enrollment basis—one percent more money
for one percent more students—worked well in a period of
enrollment growth but can be ruinous in a course of
demographic depression. Variable costs that rise one for one
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as you expand don’t go down that way. In a research univer-
sity if you lose one percent of your students you probably
only reduce your costs by one-tenth of one percent. For the
community colleges, the reduction is higher because of their
more flexible situation—it might be one-half of one percent.
If we are going to preserve this great structure of institu-
tions of higher education, formulas have to take into account
the fixed costs of higher education. Even though not all of
those facilities may be needed for the moment, they will be
needed 10 years or so in the future.

The formulas are going to have to take into account other
considerations as well. Let me give two examples. If they
want to advance, research universities—those that the
governors and other people in the state really want to make it—are going to have to start looking at the hiring of young
scientists based on the need of the field and the research
possibilities, not one on one in terms of student enrollments.

"... the doors of open-door colleges do not
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people have accomplished the necessary
remedial work."

Also, we have to keep in mind that two very big
developments will be coming about 10 years hence. One,
enrollments will rise again. And, also beginning about 1995,
many faculty members hired in the frantic expansion of the
1960s will retire. Universities and colleges ought to be allow-
ed to anticipate these events with advance hiring in an easier
and better market. This will permit making choices of new
faculty members with more consideration and drawing upon
a pool which is more adequate, rather than waiting until 1997
or 1998 when retiring faculty members have to be replaced to
take care of an increase in the number of young people com-
ing along. I might add that the University of California has
already made that decision, with support from the leaders of
the legislature and the governor.
How you in the states run your formulas, the extent to
which you preserve for the future what has been built over
these centuries, will make a great deal of difference to the
institutions of higher education, to your states, and to the
nation.

Let me go rather quickly through a few other items that I
would put on the agenda.
The quality of governance of higher education is
deteriorating. I just got through with a study of govern-
ance, particularly presidential contributions, for the
Association of Governing Boards. AGB has been concerned
with the deterioration of governance for some time. Former
Governor Robert Scott of North Carolina prepared two
reports for the AGB, one on governance by trustees in public
institutions, the other on governance in private institutions.
The general view of those involved in these studies is that
the quality of governance has deteriorated, that the quality
of boards has deteriorated in many institutions across the
country.

For the study of presidents we were specially asked by the
trustees to answer three questions. One was, "Is it harder
to get the people you most want to serve as presidents?" The
answer we got was, yes, it is harder. Another question was,
"Are presidents serving shorter terms than before?" The
answer is yes. We were also asked to find out, most impor-
tantly, "Are the presidents of today doing less to prepare
their institutions for the future than presidents of prior
generations?" Based on our interviews with the presidents
themselves, the answer is yes, and they had some good
reasons for giving us their answer. So, higher education faces
some rough times ahead, with many, many adjustments, and
we need better leadership.

Teacher education needs to be vastly improved.
From my own experience I think the emphasis should be to
place more attention on subject matter, the content, and on
practice teaching under master teachers, and less attention
on the traditional subjects in schools of education.

The quality of higher education generally needs
more attention. I quite agree with what has been said at
this meeting that we cannot close the doors of the open door
colleges. We made that promise; we cannot go back on it; and it serves many purposes. But, after the doors have been opened, we can do a good many things we are not doing now. Among other things, the doors do not have to be open to degree-credit study until people have accomplished the necessary remedial work. What worries me most is not open admissions—I think that was a great success—I am worried about the need for remedial studies.

**Raising the rate of high school graduation should be a number one priority. It has been falling below 75 percent. That is a national tragedy.**

...

raising their rate and now have gone over 90 percent. Only one state in this nation, Minnesota, nearly matches the Japanese rate.

We have to keep active in trying to advance education and opportunities for women and minorities, particularly minorities. We made some promises long ago, and we have not kept them. We cannot keep neglecting those promises much longer—for the sake of the individuals and for the welfare of our great democracy.

Liberal education is necessary to students—as citizens and as people who are being prepared to live their lives in totality and not just to make a living. Liberal education was savaged in the 1960s and the 1970s. In the 1960s, students revolted against requirements. What happened was that the faculty held on to requirements for the major and gave up the requirements for liberal education.

In the 1970s, with the tremendous onslaught of young people into the labor market, the tidal wave of students became a tidal wave for the labor market. Students then wanted to have technical courses which would help them get their first jobs. I think we have gone much too far in the direction of serving the technical interests of students and giving way to their objection of having any kind of requirements for liberal education. We should move back on that, and I think we can now that there is less labor market pressure ahead. What is a demographic depression for our colleges and universities is a golden age for people—they are a scarce commodity and everybody is going to want them.

**Private liberal arts colleges deserve to be preserved.**

I know this is a controversial area in some of your states, these colleges are most vulnerable to the demographic depression. There are about 550 of them in the nation; one-third are in the SREB region. They are threatened without state support. They tend to be small and some of them are in areas of declining population, but they represent a great deal of the total history of American higher education. They constitute so much of its diversity and, in turn, they reflect the diversity of our nation. Above all others, they set the standards for concern for the welfare of the individual student. Some, even many, of them might disappear for short-term reasons beyond their control and lose out despite what their long-run value might be. I think that state scholarship programs for students of high ability and with need, as some of your states now have, are the best ways of helping these institutions.

That is my list. There are some substantial items in it. I think they can all be accomplished in full or in large part, and the totality would constitute very good progress for this nation despite the difficulties lying ahead.

Each of you will, or should, have your own list. The central point is not the particular list itself but the effort to concentrate on what can and should be accomplished and not to be overwhelmed by fear of the perils that may lie ahead. As we enter the next millennium, higher education should and can be a better system than it is today. It must be to serve well this nation as it changes internally and meets new and more intense competition from abroad in so many areas.

The states now hold the greatest responsibilities for this outcome. Some of the states that will lead the way are found in the region of the Southern Regional Education Board. I think all of higher education should look forward to the leadership which some of your states and SREB are going to give as we face this future.