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A Great Depression

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# Editorial

## *A Great Depression*

The financial crisis of American higher education is a stark reality. President Robert W. Morse of Case Western Reserve University, whose institution has had sizeable financial deficits in recent years, stated recently that higher education is "in deep financial crisis." An alarming number of colleges and universities are reporting annual operating deficits. Princeton University's deficit for its most recent fiscal year was approximately \$600,000. Its projected deficit for the current year is \$2-million. According to Columbia University's retiring president, Andrew W. Cordier, "The deficits [at Columbia] started five years ago and have tended to enlarge every year." The anticipated deficit at Columbia this year is \$15-million. A recent report by the Carnegie Corporation indicates that both Harvard University and Stanford University have critical financial problems.

The status of smaller and less prestigious colleges and universities, as well as that of many state universities and land grant colleges, is equally frightening. The situation of the small college is further complicated by inadequate enrollments. A majority of them annually report vacancies. A recent survey indicates that 47 of 85 reporting state universities and land grant colleges have raised tuition for the current academic year. Many private and church related colleges have almost priced themselves out of existence. Certainly the financial plight of American higher education can without exaggeration be called a great depression. In recent years many private colleges and universities have ceased to exist. Some have closed; others have merged with other institutions; not a few have become state controlled. No doubt many small private colleges will find it necessary to close within the next few decades. Unfortunately, some that continue to exist will do so at the price of quality.

The reasons for the depression in higher education are all too apparent. Inflation is perhaps the chief culprit since such a large portion of the budgets of colleges and universities consist of labor costs. Faculty salaries have been increasing at a rate of 5 percent to 7 percent a year for the last decade; nonacademic employees have in many instances organized and have demanded substantial increases in salaries and fringe benefits. Student employment programs are now costly ventures—though quite necessary. Building costs—construction and maintenance—have increased sharply. The cost for library holdings, scientific apparatus, and instruction material and equipment has contributed to the major financial crisis of higher education. Certainly the depressed condition of the stock market has proven to be a major threat to the financial future of many private colleges and universities. The dip in the stock market has seriously affected projects funded by foundations. And college endowment funds have suffered sharp declines in value and in income as a result of an unfavorable stock market.

Financial support from Washington has been inadequate and poorly distributed. Frederic W. Ness, president of the Association of American Colleges, recently said, "In Washington, there is a singular lack of enthusiasm for supporting higher education generally, or private higher education in particular." The lack of adequate federal support is appalling. Even more serious, however, is the manner in which federal funds are assigned. Inadequate and piecemeal funding of projects by federal agencies has in part resulted in serious financial problems on many campuses. Perhaps even more crucial at this point, however, is the more general concern of the manner in which federal funds for higher education should be spent. Certainly there is too much *grantsmanship* and *political football* in federal financing of higher education. Federal funding should be *major* and should be for higher education in general, not just partial support for selected projects and research programs.

A majority of colleges and universities have contributed to the depression in American higher education by following unsound academic and financial policies. Many major colleges and universities, private and state, waste substantial funds on intercollegiate athletics, unless, of course, it is the mission of the university to train athletes for the major professional teams. Many small colleges apparently find sizeable funds for athletic programs but seldom have funds for more academically oriented ventures. For many years we have discussed needed changes in curriculum, the need for effective use of buildings and educational equipment through calendar and schedule reforms, and the urgency for more effective inter-institutional cooperation. We have talked much, written even more, but have done very little in these areas. We are too concerned with individual institutional image. We may, in part, blame the financial crisis on student unrest. Rather than blame student unrest, however, why not attempt to make some significant and mean-

ingful changes in higher education, thereby eliminating the valid reasons for unrest?

Careful scrutiny must be given to the administration of higher education, the curriculum, and faculty-student relationships. The manner in which most institutions of higher learning are administered leaves much to be desired. Elimination of the financial crisis, however, cannot be a bootstrap operation. Financial support from federal, state, foundation, and private sources must be substantial. Equally important, however, is the necessity for colleges and universities to utilize their resources in a more judicious manner.

Although higher education is not the only hope for the world, it is, or should be, a significant voice for truth and justice. It is most assuredly a hope worth exploiting to the fullest.

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