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Four Hard Truths for Higher Education

Burton Yale Pines



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Few positions in the nation today are as challenging as that of the academic dean of a college or university. The environment in which you are operating has changed dramatically in the last 10 years, and continues to change. You know better than I that the ground rules are being revised — that you no longer have the resources available that you once counted on and that there is no agreement on the kind of product you are supposed to be producing.

Indeed, I suppose that it is somewhat reckless of me to attempt to tell you anything about how higher education can meet the challenge of today's social and cultural and political trends. I will try to do so, perhaps only because I live and work in this world of delusion called Washington, D.C. It is often remarked, in fact, that Washington is an enclave on the Potomac entirely surrounded by reality. You bring some of this reality to us today and I thank you for it. This reality is changing in ways which will probably force you to change.

I am going to briefly sketch four broad changes in American society, and offer (I realize at some risk) suggestions about how you could respond to them.

The *first* change is the *disinflation* of the American economy.

After a decade and a half of an inflationary binge, there now are solid signs that the money costs of goods, services, resources, and obligations (such as taxes) are growing at a much slower pace or even declining. The evidence is so plentiful and well-reported that I need not cite it.

Among the many results of disinflation, one is that prices have become much more elastic. Because the consumer has begun to perceive that prices may not be destined to climb inexorably and even rapidly, it is becoming increasingly difficult for producers to pass on higher production costs to the consumer in the form of higher prices. This is a lesson painfully being learned by American automobile makers and farm equipment makers. With consumers looking more carefully at prices, producers are being encouraged, by market forces, to cut costs and increase productivity.

This applies very much to you. To be crass, the university markets a product. What you should ask yourself is: Have you been and are you pricing a college education out of the market? Are college educations becoming too expensive relative to alternative means of preparing for a career or of acquiring skills or of becoming a civilized, cultured member of society?

I think that the answer quite clearly is Yes. For years, you were swept along by the strong, swift tides of inflation. You added programs, provided new services, reduced workloads, and raised salaries. To pay for this you raised tuition and fees; you raised your prices. As elsewhere in the American economy, there was little resistance to the price hikes. Other prices, after all, were rising too. And cheap — very cheap — government-backed student loans made money easy to obtain. Given the enormous disparity between the rate of interest charged on loans and the rate of inflation, a college education funded by these loans seemed almost irresistible. Higher education flourished through what was, in effect, funding by third-party payments, just as the medical care industry flourishes from the same system.

But inflation has slowed. And the easy money is becoming tight. This leaves you as it does many producers with very high costs of production and probably with over-capacity, particularly so because the college-age cohort continues to shrink as Baby-Busters replace Baby-Boomers. You know the dismal statistics: that two-thirds of all colleges and universities this fall saw a drop in enrollment of their freshman classes; that in the next four years, this enrollment drop will cost colleges and universities a quarter-billion dollars in lost tuition; that less than a decade from now, the number of American 18-year-olds will be about 25 percent fewer than today, dropping by nearly one million.

I would think that you have to do something about this if you are to survive. You should offer your product at a lower relative price. You should cut costs. You should increase productivity. You should look hard at those practices which thus far have been off-limits to the cost-cutters — which have been sacred.

To increase productivity, you will probably have to trim the size of your faculties and increase teaching loads. To keep quality and creativity high, you will probably have to revamp dramatically the tenure system, so that you will have at least the option of replacing those who do not meet your needs with those who do — regardless of who has served longer and regardless of the lifetime contract implied by the tenure custom.

You even may have to cut salaries and employment benefits. Is there a lesson for you to learn from the auto industry, in which workers have accepted what amounts to significant pay cuts to save their firms and their jobs? And is there a lesson to be learned from the steel industry, where workers have balked at pay cuts and have seen whole factories closed and jobs eliminated?

Perhaps that comparison is too crude to be relevant. What is unavoidably relevant, however, is that you are going to be living with disinflation and

a contracting customer pool for a long time. Coming to terms with this is unavoidable if you plan to stay in business.

The *second* change in American society that I wish to note is the widespread recognition of our need to *revitalize* the American economy. As a nation, we need more capital investment and savings. And we need more intellectual investment — in basic and applied research and in the flights of fancy that have, throughout history, led tinkerers to some of technology's major discoveries.

The way for us to revitalize is to unleash individual creativity. We know how to do this — by encouraging and rewarding success and by punishing failure. We do this by allowing the marketplace to function. We are not going to achieve it through grand plans and grander planners, not through schemes of government reindustrialization, and not by targeting today's resources for what we think will be the growth industries of tomorrow.

That won't work. It never has. No one or no group is more clever than the marketplace. No one quite knows which sectors are really poised for growth and where breakthroughs will occur. It seems, in fact, that the bigger the organization and the more brilliant the planner, the poorer the prediction.

We need only recall that in the late 1940s major office equipment manufacturers balked at one man's plan to build a dry-copying machine; they were sure then that nothing could replace carbon paper. So they missed the opportunity to finance a burgeoning industry. Nevertheless, the marketplace did its job, and — violating the experts' judgment — a small company named Xerox was formed. Similarly, Eastman Kodak, the giant of the photographic industry, saw no future in the instant-photography ideas put forth by Edward Land; so Polaroid was born. IBM, the giant of the computer industry, missed the chance to develop the micro chip, but Texas Instruments was there to confound the experts.

And we need only note that whatever the secret of Japan's dynamic growth, it is not government planning. This is widely misunderstood. The record, however, is clear. Nearly two decades ago, the planners in Tokyo at the famed Japanese government agencies were trying to direct investment into future growth industries. What were they focusing on? Steel, energy, shipbuilding. Fortunately for Japan, most private investors and firms apparently ignored their government's advice, funnelling investment instead into computers, robotics, and electronics.

Our economic revitalization depends not on a plan or a blueprint, but on an understanding and appreciation of how the marketplace works. Are you providing your students with this understanding? All surveys indicate

that you are not. Rather, you are graduating economic illiterates who neither comprehend nor appreciate how the free enterprise system functions.

You could correct this. You could, through a wide variety of courses in a number of disciplines, teach the principles and explain the assumptions of the free enterprise system. Though you cannot teach entrepreneurship (although courses in entrepreneurial economics are proliferating) at least you can teach American undergraduates enough about their economic system so that they understand and appreciate the entrepreneur as the dynamo generating the system's sustaining energy.

The entrepreneurial creativity required for economic revitalization cannot long thrive in a society suspicious of or hostile to the entrepreneur and the principle that he deserves to be rewarded richly when he succeeds. You can help create, particularly among the educated elite, an atmosphere hospitable to the entrepreneur, to risk-taking and risk-rewarding. Your students at least could know enough to be suspicious of glib anti-free enterprise slogans and cliches. Your students at least could understand the concept of tradeoffs — that the real world gives no free lunch and that if they want a risk-free workplace or a pollutant-free environment, then their society will have a bill to pay for it. At the least, you could make the comprehension of our economic system — of free enterprise, of capitalism — part of the definition of what comprises an educated man and woman.

The *third* change is one that you, I assume, will find particularly welcome; it is the *back to basics* movement in elementary and secondary schools. Since the late 1970s, great numbers of parents have grown extremely dissatisfied with how their children are being taught. Recognition has grown that the nation's schools have been graduating illiterates and many more barely competent in basic skills. A 1979 federal study, in fact, found that 13 percent of the nation's high school 17-year-olds were "functionally illiterate": they could not read newspapers, road maps, or other material needed to function in contemporary society.

Every community, it seemed, had its education horror stories: the high school graduating class valedictorian who lost his job at a drug store because he didn't know how to write down orders phoned in by customers; the employee at a textile firm who could not use a ruler and mismeasured fabrics, thus wasting hundreds of dollars of material; the high school graduate killed on the job because he couldn't read a simple warning on a potentially dangerous machine.

You are familiar with the 15-year decline in SAT scores, a slide arrested only in 1981. And you are familiar too with the great numbers of your entering freshmen who not only cannot write a short essay, but have trouble writing a paragraph — perhaps even a sentence. By the start of this

decade, according to surveys, even at elite colleges some 30 percent of entering freshmen were having serious difficulties with reading, writing, and math.

It is no wonder that of the 800 firms surveyed by the Conference Board in 1981, more than one-third were providing their employees with some remedial education in the 3 R's. It is no wonder that the IRS in 1981 revised the text of our tax forms, writing them at a 9th-grade reading level, down from the previous 11th-grade level.

The distressing state of American elementary and secondary education eventually triggered a parents' rebellion. Few parents, I suspect, were comfortable with the education experimentation launched in the late 1960s. Few, I suspect, had much faith in the Open Classroom, the decline in discipline and homework, the notion that the teacher should not be authoritarian but be a buddy — a peer, the disappearance of report cards with specific grades purporting to reflect real achievement, the emphasis on character development, and the proliferation of new "creative" courses in cinema and comic strips and "self-in-history" and the like which seemed to be replacing in the curriculum the old standbys of Shakespeare and Melville and James.

You know the litany — the indictment of what happened to American public education. Parents began to realize it also. When enough did, they revolted. They contested school board elections and overturned boards. They mobilized enormous pressures on their legislatures. For a few years in the late 1970s, the hottest campaign issue in state races, with the exception of taxes, was the quality of education. The legislators had to pay attention and, in just the past five years, 35 states have enacted minimum competency laws to enforce better teaching of the basics. These statutes, in varying degrees, deny high school diplomas to those who fail to demonstrate a minimum competency in what that state defines as basic skills. Hundreds of localities have enacted their own laws going far beyond the state's new standards.

The results, I believe, already have begun to appear. SAT scores have stopped dropping. Surveys indicate that illiteracy among high school upperclassmen is also down. And these are just the very early returns. It will be three or four more years at least until the graduation of boys and girls, the major portion of whose education has been affected by the back-to-basics movement.

What this means to you, I should think, is that you can reduce the share of your resources that you now devote — directly and indirectly — to remedial education. As high schools begin demanding more of their pupils, as young students once again develop study discipline as an essential (though

perhaps distasteful) part of education, you can demand more of your students. You can set higher standards. You can continue the revision of your curricula and your requisites for graduation that you began in the late 1970s. Because of education's back-to-basics movement, I believe that you will have increasing opportunity to bring back the old meaning of the word "higher" in higher education.

The *fourth* change is certainly the most fundamental and pervasive. It is what I have called in my book *Back To Basics* a resurgence of *traditional* or conservative values. We see this today in perhaps every key sector of American life:

In economics with the renewed respect for the role of the marketplace.

In religion with the resurgence of fundamentalism and the boom in evangelical denominations such as Southern Baptists, Seventh Day Adventists, Disciples of Christ and Mormons. And in the steep decline in mainline Protestant denominations such as Presbyterian, Episcopalian, Methodist, and Congregational.

In family matters with the growing respect for the traditional view of the family, even among many feminist activists (such as Betty Friedan), and reflected in the defeat of the ERA and the defeat of the liberal family agenda during the 1980 White House Conference on Families.

In criminal justice matters with the repudiation of the rehabilitation model and the demands for tougher punishment of convicted criminals and increasing concern for the rights of crimes' victims. As with the back-to-basics movement in education, what is happening in criminal justice largely began at the grassroots. Because of voter demand for tougher treatment of lawbreakers, two-thirds of the states in the past five years have passed mandatory sentencing laws. These ensure longer sentences and less chance for parole. In many instances, in fact, state parole boards have been abolished.

In a greater sense of patriotism and concern for the safety of the nation.

In these and in other sectors of American life, the evidence is very persuasive, found in polling data, in votes on referenda and initiatives in elections, and in anecdotal data. While the pace and extent of the traditionalist resurgence is a matter of honest debate, the fact that there is such a resurgence is beyond dispute.

What I wonder is: How long can you, at the universities — and particularly those of you in liberal arts — afford to remain out of step? In fact, you are more than out of step on most of these matters; you seem to be

in opposition. Your attitudes seem to go far beyond the healthy criticism and skeptical view of American society that should be provided by the Academy. It seems that the Academy is in opposition — not merely neutral or critical, but hostile — on social issues, religion, patriotism, and in what appears to be your ethic of value relativism.

How far out of step you may be with the rest of your nation is indicated by surveys whose results I suspect you have seen.

In 1972, for example, when 39 percent of all voters voted Democratic or for leftist third parties, 57 percent of faculty members did so — and of them, 76 percent of social science faculty did so.

In 1976, when 52 percent of all voters voted Democratic or leftist, 66 percent of all faculty did and 75 percent of social science faculty did.

While 65 percent of Americans feel that abortion is morally wrong, only 26 percent of college educators agree.

While 71 percent of Americans feel that homosexuality is morally wrong, only 30 percent of you and your colleagues do.

While 52 percent of Americans want to make it more difficult to obtain a divorce, only 19 percent of you and your colleagues do.

When the Roper Organization in 1981 sampled views at the American Political Science Association's annual conference, it found that of the participants, 74 percent identified themselves as liberal, 15 percent conservative and 12 percent centrist — a profile bearing no similarity to the public's.

While I do not have comparative data on some key matters of belief, you probably know that the response from members of the Academy would differ dramatically from that of the public on such matters as:

Does the U.S. private enterprise system work better than any other system yet devised for industrial countries? Yes, say 90 percent of our countrymen.

Should incomes be limited to \$100,000 per year? No, say 79 percent of Americans.

If both husband and wife work at good and interesting jobs and the husband gets a job offer in a different city, should the wife quit her job to enable the family to relocate for the husband's new job? Yes, say 85 percent of the *women* queried.

Which is more understanding of the real needs of the people of your community? State government, say 74 percent; Federal, say 16 percent.

Can you and the country afford for you to be so out of step on these key issues? Is it any wonder that in a period of generally declining college

enrollment, those institutions (such as Christian colleges) which reinforce traditional values are thriving?

I have no recommendations for you. I certainly do not want to suggest — even hint — that the nation can afford an Academy that is uncritical and unprovocative and uniconoclastic. But there is a difference between that and being in opposition. And for more than a decade you increasingly have been — or have appeared to be — in opposition. You have appeared to be hostile, sometimes aggressively so, to the values shared by the vast majority of your countrymen.

Can you not be a bit more hospitable to some of the traditionalist arguments? Can you not give them a sympathetic hearing on campus? Can you not try to find a means of blunting the contempt with which liberal arts professors deal with traditionalist issues?

I repeat, I have nothing to recommend. The challenge is yours. A great deal is at stake, however. By remaining in opposition and hostile, you risk losing — for the great public — your credibility and your relevance.

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The Heritage Lectures

American universities take pride in their willingness to challenge established ideas, and question popular assumptions. But how often do our educators examine their own schools with a critical eye?

In this lecture, originally delivered before the American Conference of Academic Deans, Heritage Foundation Vice President Burton Pines throws down the gauntlet to his audience. America has changed, he argues, and American universities have not responded to society's new needs.

Higher education cannot thrive without a supportive, growing economy. Yet our universities have spawned hostility to economic growth, Mr. Pines charges. Worse still, in recent years the academic profession has clung to a set of outmoded intellectual fashions.

Are our universities undermining their own future?

